Course outline

How does an NPTEL online course work?

Week 0 :

Week 01

Week 02

Week 03

Week 04

Week 05 :

Week 06

Week 07

Week 08

Week 09

Week 10

Week 11

Week 12

- Lecture 100 : Asymptotic Property
- Lecture 101 : Problem of Endogeneity
- Lecture 102 : Simultaneous Equation Model
- Lecture 103 : Instrumental Variable for Endogeneity Bias Problem
- Lecture 104 : Good Bad and Weak Instrumental Variable
- Lecture 105 : Overidentification Underidentification Exact Identification - Instrumental Variable
- Lecture 106 : Two Stage Least Square and Instrumental Variable
- Lecture 107: 2SLS and IV with Stata
- Quiz: Week 12:Assignment 12
- Feedback for Week 12

Course Material

Download Videos

Assignment Solution

Week 12:Assignment 12

The due date for submitting this assignment has passed.

Due on 2021-10-20, 23:59 IST.

As per our records you have not submitted this assignment.

1) *1 point*

Instruments are valid if the following requirements are satisfied:

a) Valid instruments are uncorrelated with the error term

b) Valid instruments are highly correlated with the endogenous regressors even after controlling for the exogenous regressors.

c) Valid instruments are correlated with the error term

d) Valid instruments are uncorrelated with the endogenous regressors even after controlling for the exogenous regressors.

- [ ] a
- [ ] b
- [ ] c
- [ ] d

No, the answer is incorrect.
Score: 0
Accepted Answers:
a
b

2) *1 point*

. When the correlation between instrument variable and the endogenous variable is low, the instrument variable is known as

a. Good instrument

b. Weak Instrument

c. Bad instrument

d. None of the above

- a
- b
- c
- d

No, the answer is incorrect.
Score: 0
Accepted Answers:
b

3) *1 point*

Consider the model

$Y = \beta_0+\beta_1X_1 +\beta_2X_2+\beta_3X_3+U$

State whether the following statements are TRUE/ FALSE?

A. If X_2 is an endogenous regressor, then the OLS estimator β_3-hat is inconsistent.

B. If X_3 is an endogenous regressor, then the OLS estimator β_3-hat is biased.

a. A is TRUE B is FALSE

b. B is TRUE A is FALSE

c. Both True

d. Both False

- a
- b
- c
- d

No, the answer is incorrect.
Score: 0
Accepted Answers:
c

4) *1 point*

Which of the following are possible reasons of endogeneity problem?

a. omitted variable bias

b. reverse causality

c. measurement error

d. None of the above

- [ ] a
- [ ] b
- [ ] c
- [ ] d

No, the answer is incorrect.
Score: 0
Accepted Answers:
a
b
c

5) *1 point*

. Consider the following statements -

I. In two-stage least square, we run simple OLS in both the stages
II. In case of over-identification, we have more number of instruments as compared to the number of endogenous regressor

a. both true
b. both false
c. I true II false
d. II true I false

- a
- b
- c
- d

No, the answer is incorrect.
Score: 0
Accepted Answers:
a