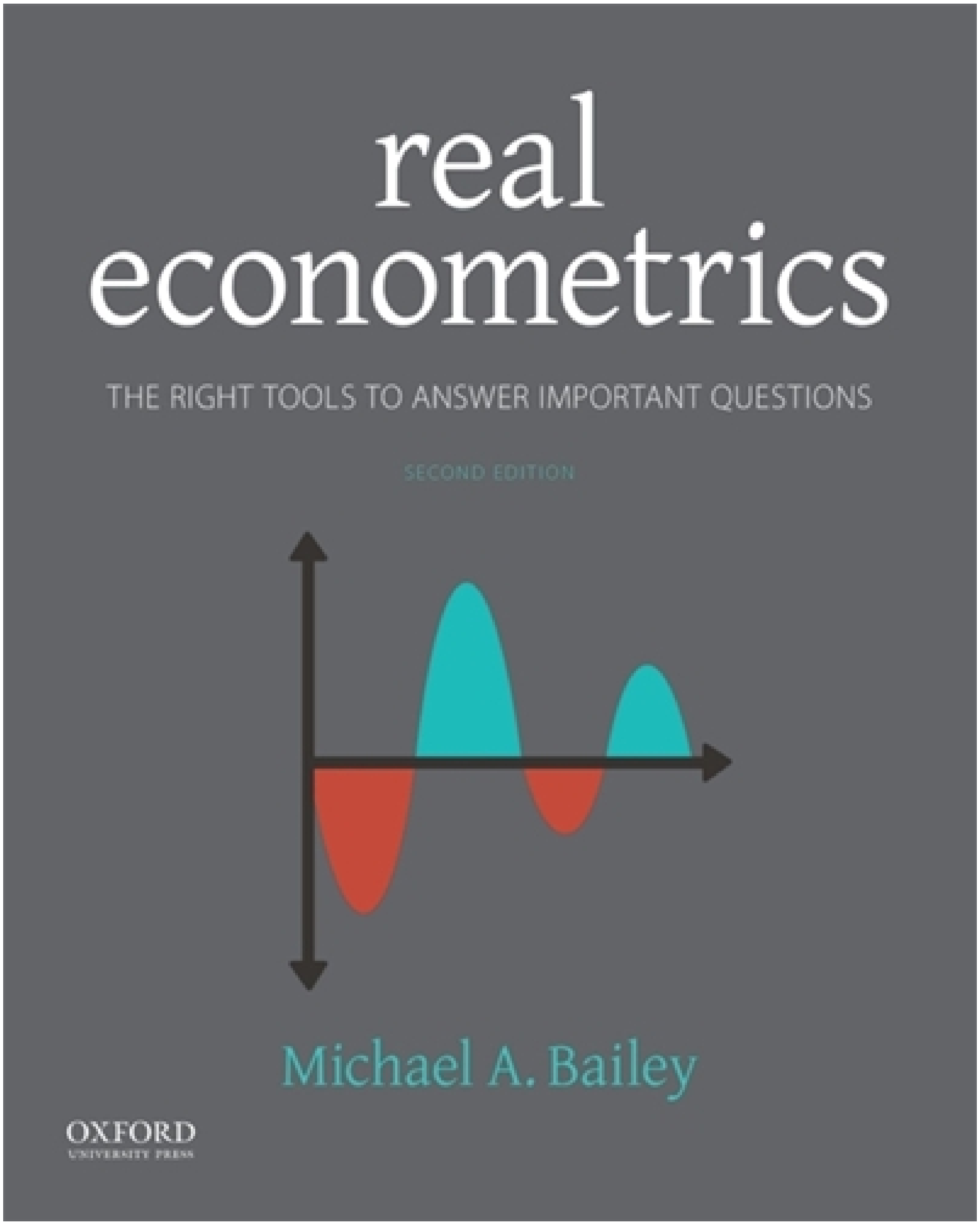
Test Bank for Real Econometrics The Right Tools to Answer Important Questions 2nd Edition by Bailey



Test Bank

Real Stats – Chapter 2

True or False Questions:

1. **True** or False: The standard deviation measures how widely dispersed the values of the observations are.
2. **True** or False: If an analysis cannot be replicated, it cannot be trusted.
3. **True** or False: Replication files are used by researches to verify another researcher's projects results.
4. **True** or False: Statistical projects should document both the data and the methods used to arrive at the conclusion.
5. True or **False**: The statistical package R is easier to use than Stata.

Short Answer Question:

1. Please list the descriptive statistics that are used to better understand the data.
   Answer: Mean, number of observations, standard deviation, minimum, maximum.

2. Explain the importance of keeping replication files and properly documenting the data/research.
   Answer: Important because it allows others to check the robustness of the results and therefore helps verify if a study was done in an accurate manner.

3. Describe/list some of the information that generally goes into a codebook.
   Answer: Type of data, source of data, variable information, and individual/organization that collected the data.

4. What is the purpose of plotting the data?
   Answer: A useful first step in order to help identify any patterns or anomalies in the data prior to moving forward with further analysis.

5. Compare and contrasts the basic benefits/drawbacks of Stata and R.
   Answer: Stata is more user friendly in the beginning, however once you get a hang of it, R could be easier to use because the coding is more direct and isn't hidden behind a backend/GUI.