ERRATA: BASIC ECONOMETRICS 4TH ED.

p. 91: Equation (3.7.3) should read as follows:

$$\hat{Y}_i = -0.0144 + 0.7241X_i$$

$$\text{var}(\hat{b}_1) = 0.7649 \quad se(\hat{b}_1) = 0.8746$$

$$\text{var}(\hat{b}_2) = 0.00483 \quad se(\hat{b}_2) = 0.0695$$

$$r^2 = 0.9077 \quad \hat{s}^2 = 0.8816$$

In the second sentence below the equation, replace 64 cents by 72 cents. The 4th line below the equation, replace 89 percent by 91 percent.

p. 96: Problem 3.20. Third line: 1959-1997 instead of 1980-1997.

p. 99: In part (b) just below the two equations add the following:

If the hypothesis is correct, what value of b_2 would you expect?

(*c*) Which is a better model against inflation, gold or the stock market?

p. 157: The *Eviews* data file has wrong entries for Chech Rep, Hungary, New Zealand, S. Africa and S. Korea. The entries given in Table 5.9 on p. 157 are, however, correct. As a result of the errors in Eviews file, the answer to problem 5.16 given in the Student Solutions Manual is not correct. The correct answer is as follows:

$$\hat{Y}_i = -61.4142 + 1.8152X_i$$

$$se = (44.9858)(0.0399) \quad r^2 = 0.9866$$

$$t = (-1.3651)(45.4517)$$

p. 178: The Eviews workfile Table 6.3.wf1. should have variable names as shown in Table 6.3 on. P. 178.

p. 184: In Equation (6.7.2) the coefficient of (1/PGNP) should be 27,273.17.

p.197: Eviews file Table 6.8.wf1. there is one data error. The correct figures are as given in Table 6.8 on. P. 197.

p.221: In the middle of the page: The result is an r^2 value of 0.7318. It should be 0.6779.

p. 239: The variable names in Eviews Table 7.9.wf1 should match those given in Table 7.9 on p. 239.

p.270: Example 9.3: The second line of the *F* ratio the first para in the denominator is wrong. It should be 0.0136 and not (1-0.0136). As a result, the F value

given in the third line is wrong. It should be 3.75. Therefore, the sentence in the second line of second para should read:
The reader can easily check that this F value is not significant at the 5% Level.

p.272: First para, last line: read beef instead of beer.

p.277: Second line below Equation (8.8.5) the F value is 5.72 and not 7.72.

p. 336: In the third para before the bold chi-square add Anderson-Darling.

p. 351: Table 10.1. Second column, 5^{th} entry should be 5.26 instead of 5..76.

p. 404: Table 11.1. The entries in this table are correct. There may be some error in the data supplied with the data disk.

p.466: Equation (12.6.4): E(R) = 20.950.
The confidence interval given below Eq. (12.6.4) should be corrected as follows:
$[20.950 \pm 1.96(3.1134)] = (14.8476, 27.0523)$

p.480: The paragraph before (12.9.12): $\sum \hat{e}_t^2 = 33.4270$ instead of 0.334270.
As a result, Eq. (12.9.12) should read as:

$$g = \frac{33.4270}{272.0220} = 0.12288$$

p. 572: The entries in the table below Eq. (14.5.4) should be corrected as follows:

b_1	1574.9639	635.4980	2.4783	0.0197
b_2	1.9079	0.4625	4.1249	0.0003
b_3	−0.0115	0.00083	−13.8333	0.0000

p. 602: Computing probabilities: In this paragraph second line from the bottom $\sqrt{w_i} = 4.1825$ (rather than 4.2661).

p.697: Item (1): *Undirectional causality* from *M* to *GDP* is indicated if the set of coefficients a_i (i =1,2, . . .,n) are statistically different from zero and the set of coefficients b_j (j = 1, 2, …, n) are not statistically different from zero.
Item (2): Conversely, *unidirectional causality* from *GDP* to *M* exists if the set of coefficients l_i (i = 1,2, …,n) are not statistically different from zero and the set of coefficients d_j (j = 1,2,…,n) are statistically different from zero.

p. 801: Figure 21.4 is incorrect. Draw a straight line through the origin with a

slope of 2.

p. 827: Correct the *t* statistics given in Example 21.2 as: -1.7294, -2.1759, and -1.9330

p. 929: Table C.1, first line under matrix notation E(***u***) = 0 should be E(***u***) = **0.**