

Preface

This manual contains the solutions to many of the problems in the second edition of my MIT Press book, *Econometric Analysis of Cross Section and Panel Data*. In addition to all of the odd-numbered exercises, I have included solutions to a few of the more interesting even-numbered exercises. Also included are some “bonus problems” along with their solutions. Several of these problems I left out due to space constraints and others occurred to me since the book was published.

I solved the empirical examples using various versions of Stata, ranging from 8.0 through 11.0. I have included the Stata commands and output directly in the text. No doubt there are Stata users and users of other software packages who will, at least in some cases, see more efficient or more elegant ways to compute estimates and test statistics.

Some of the solutions are fairly long. In addition to filling in all or most of the algebraic steps, I have tried to offer commentary about why a particular problem is interesting, why I solved the problem the way I did, or which conclusions would change if we varied some of the assumptions. Several of the problems offer what appear to be novel solutions to situations that can arise in actual empirical work.

My progress in finishing this manual was slowed by a health problem in spring and summer of 2010. Fortunately, several graduate students came to my aid by either working through some problems or organizing the overall effort. I would like to thank Do Won Kwak, Cuicui Lu, Myoung-Jin Keay, Shenwu Sheng, Iraj Rahmani, and Monthien Satimanon for their able assistance.

I would appreciate learning about any mistakes in the solutions and also receiving suggestions for how to make the answers more transparent. Of course I will gladly entertain

suggestions for how the text can be improved, too. I can be reached via email at wooldri1@msu.edu.