

# Lesson 3

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# Inference

- An additional assumption to Gaus-Markov assumptions.
- Classical Linear Model Assumptions (CLM)

# Testing the Hypothesis about a Single Population Parameter: the t-test

- Structure of the test.
- Examples:
  - 
  - Wage equation;
- Student grades and school size

# The steps in the analysis

- Classical approach to test the hypothesis? (5 steps)
- p-value?
- Example: Are rents affected by student population in towns?

# Summing up the main criteria for the estimators

- Unbiasedness
- Efficiency
- Consistency