

EXERCISE 2 KEY

Purpose: To get some practice in running a Stata program and reporting its output. This exercise is due on **Thursday, February 4 by 5:00 PM on Canvas.**

Go to the Canvas homepage for this course and download the Stata program **Example_reg.do** and the Stata dataset **CEOSAL1.DTA** and use them to complete the following tasks:

(a) Report the “summary” output for all of the variables in the data set using the “snipping” tool.

*** Report summary statistics for the variables**
summarize

Variable	Obs	Mean	Std. Dev.	Min	Max
salary	209	1281.12	1372.345	223	14822
pcsalary	209	13.2823	32.63392	-61	212
sales	209	6923.793	10633.27	175.2	97649.9
roe	209	17.18421	8.518509	.5	56.3
pcroe	209	10.80048	97.2194	-98.9	977
ros	209	61.80383	68.17705	-58	418
indus	209	.3205742	.4678178	0	1
finance	209	.2200957	.4153057	0	1
consprod	209	.2870813	.4534861	0	1
utility	209	.1722488	.3785031	0	1
lsalary	209	6.950386	.5663741	5.407172	9.603868
lsales	209	8.292265	1.013161	5.165928	11.48914

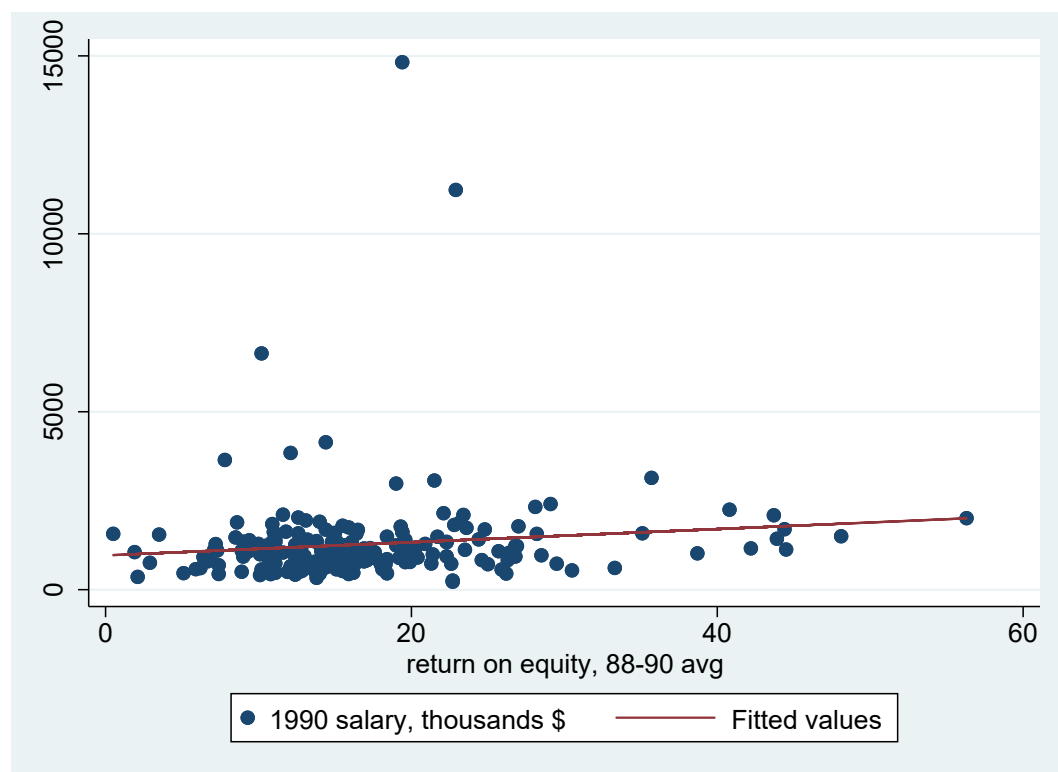
(b) Report the regression output produced by the “regress” statement. Use the snipping tool.

regress salary roe

Source	SS	df	MS	Number of obs	=	209
Model	5166419.04	1	5166419.04	F(1, 207)	=	2.77
Residual	386566563	207	1867471.32	Prob > F	=	0.0978
				R-squared	=	0.0132
				Adj R-squared	=	0.0084
Total	391732982	208	1883331.64	Root MSE	=	1366.6

salary	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
roe	18.50119	11.12325	1.66	0.098	-3.428196	40.43057
_cons	963.1913	213.2403	4.52	0.000	542.7902	1383.592

(c) Report the scatter plot with the regression fit superimposed on the data scatter.



Submit your file in the “Assignments” area of Canvas.