Comments on Assignment #6

Random parameters:
1) Discussion of why we us random parameters. Discussion of what it means if a variable is modeled using random parameters. ie the parameter estimates vary across alternatives according the normal distribution (or log-normal, triangular, etc.). This discussion would benefit if you stated the threshold used to determine if a parameter is random (the statistical significance of the standard deviation).

2) A note on the statistical significance of the standard deviation. Here we can consider the test of significance to be one tailed because we are testing if the value is greater than zero.

3) Discussion of the estimated beta and the standard deviation. This needs to include the percentage of alternatives in which the parameter is positive and negative. Dr. Mannering provided a "Normal distribution calculator for random parameter models" on his course site to assist in this. Remember, the calculator gives you the percentage less than zero (negative). Therefore if you have a positive mean value the percentage less than zero (negative impact) will always be less than 50%. You should also provide an explanation why your parameter estimate is positive for some in the sample and negative for others.

Model Fit:
4) Even though it was not explicitly asked for, you need to include a short discussion of the overall model fit. Your model fit statistics also need to be included in your table.