

Comments on Assignment #8

- 1) Review and understand marginal effects for indicator variables.
- 2) Use marginal effects in your variable discussion.
- 3) In your discussion you are explaining the sign of the parameter estimate (beta) or marginal effect not the t-stat.
- 4) Indicate the distribution used for random parameters
- 5) When discussing the random parameters, provide an explanation for the percent with a positive parameter and an explanation for the percent with a negative parameter
- 6) For random parameters with nearly 100% positive (or 100% negative) values, you could explain why you think the impact of the variable is more for some segments than for other segments.