EXERCISE SESSION 3

The objective of this session is to introduce you to your first lab assignment. The topic is estimation of a Binary Logit Model.

Your first lab assignment:

You have all been assigned to a group. Along with your team members you have to develop your own specification of a Binary Logit on the *Optima* data set and try to find the best specification you can. Follow the same steps as you did during the second lab assignment (cf. exercise session 2).

Please send your results by e-mail (one per group) to the teaching assistants by Friday, October 11, at noon.

The email should have the subject line <u>MMB2013; Assignment 1; Group XX</u> and needs to include the following attachments:

- the `.html` file,

- the specification as a `.mod` file and

- a `.pdf` document containing a description of the chosen model specification along with the reasoning behind the formulation and testing of your model hypothesis (file length = maximum one double-sided page).

mbi/tr-jn