



EXERCISE SESSION 7: QUESTIONS FOR STUDENTS

Try to answer the following question by consulting the textbook (see chapter suggested in today's reading) and the lecture slides of today's class:

1. Let $U_{n,m} = \beta_m + \alpha_m \text{cost}_{n,m} + \gamma_m \text{time}_{n,m}^{\lambda_m} + \varepsilon_{n,m}, \forall n, m$. What is the value of travel time? Interpret.

mbi/ ek/ afa/ mdl