

**Economics 312**  
**Daily Problem #3**

**Spring 2020**  
**January 31**

Consider an econometric analysis in which the dependent variable is a student's grade in Econ 201 at Reed. The regressor is the admission office's "reader rating" assessment of the student's academic promise. The sample is all students who completed Econ 201 in the 2017–18 academic year. The corresponding population is all students taking Econ 201 over all years.

1. For each of the assumptions SLR.1–SLR.5, assess whether the assumption is likely to be reasonable.
2. What additional explanatory variables (that could be observable) would be useful to include? Why?