

Economics 312
Daily Problem #41

Spring 2012
April 19

1. Suppose that we have data on SAT scores and other characteristics of a pool of students that have been admitted to Reed, Lewis & Clark, and Whitman. Describe briefly how we could use multinomial logit to estimate the effect of higher a SAT score on the probability of choosing each college.
2. If we have, in addition, data on the financial-aid packages that each student was offered at each college, how could we use conditional logit to estimate the effects of aid on student choice.