

**SØK 3001, Candidate 10046, Spring 2019**

The candidate shows excellent performance and sound judgement when it comes to understanding empirical problems. Nonetheless, there are a few answers in the script that could improve.

**Question 1:** In part d) the student identifies measurement error and omitted variable bias as possible reasons for the different results. This answer misses to specify the importance of unobserved heterogeneity and sample selection.

**Question 2:** Here in part b) the student mistakenly uses a standard critical value for the relevance test, rather than the “rule-of-thumb” value of 3.2. Next, part c) is vague and misses to report the test. Nonetheless, the student tackles part d) correctly, showing a very good understanding of endogeneity issues.

**Question 3:** This answer sets up the problem correctly (use of difference-in-differences), but the interpretation of the coefficients in the model could have improved.

Overall, this is a very good script and the candidate shows mastering of the topics.

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