**HW3 Eviews Financial Economerics**

1. Open Eviews work file and name it HW.
2. Import data file from excel. The file name is "hw data". The file can be downloaded from my academic website at: staff.hu.edu.jo/ahmadkhasawneh
3. Regress the following equation

$$Excess return of Google=β\_{0}+β\_{1}\left(R\_{mt}- R\_{ft}\right)+β\_{2}∆(industrial production)\_{t}+β\_{3}∆(consumer credit)\_{t}+β\_{4}∆(inflation)\_{t}+β\_{5}∆(money supply)\_{t}+β\_{6}∆(spread)\_{t}+ε\_{t}$$

**MAKE SURE TO MAKE REQUIRED VARIABLES MODIFICATIONS.**

**Name the regression estimations results "EST1"**

1. Test whether consumer credit and spread variables are jointly statistically significant. **(name the new regression estimation EST2, if needed)**
2. Perform Heteroskedasticity test using: a- graphical test. **name the resulted graph "graph1"**
3. Perform Heteroskedasticity test using white's test. **name the resulted estimation "white"**.
4. Re-regress the model equation in 3 but report white's modified (robust) standard errors. **Name these new estimations "EST3".**
5. Based on EST1, Plot the residual series ($ε\_{t}$ ) against lagged residual series ($ε\_{t-1})$. **Name the resulted plot "graph2"**
6. Based on EST1, Plot the residual series ($ε\_{t}$ ) against time (t). **Name the resulted plot "graph3"**
7. Regress the following equation

$$Excess return of Google=β\_{0}+β\_{1}\left(R\_{mt}- R\_{ft}\right)+β\_{2}∆(industrial production)\_{t}+β\_{3}∆(consumer credit)\_{t}+β\_{4}∆(inflation)\_{t}+β\_{5}∆(money supply)\_{t}+β\_{6}∆(spread)\_{t}+Excess return of Google\_{t-1}+ε\_{t}$$

**Name the regression estimations results "EST4"**

1. Report the Multicollinearity test. **Name the resulted table as "MULTI"**.
2. Regress the following equation

$$Excess return of Google=β\_{0}+β\_{1}\left(R\_{mt}- R\_{ft}\right)+β\_{2}∆(industrial production)\_{t}+β\_{3}∆(consumer credit)\_{t}+β\_{4}∆(inflation)\_{t}+β\_{5}∆(money supply)\_{t}+β\_{6}∆(spread)\_{t}+β\_{7}Jannuary effect+ε\_{t}$$

**Name the regression estimations results "EST5"**