

TABLE 8.4 OLS on a simulated sample with a low disturbance variance

<i>Population relationship</i>		<i>Sample relationship</i>	
Constant:	$\alpha = -20,000$	Intercept, a	-24,838
		Standard deviation	4,320.2
		t -statistic	5.89
		p -value	<.0001
Coefficient:	$\beta = 4,000$	Slope, b	4,320.2
		Standard deviation	316.45
		t -statistic	13.65
		p -value	<.0001
Standard deviation of disturbances	$\sigma_2 = 10,000$	Estimated standard deviation of disturbances, s	9,226.1
		R^2	.6554
		Adjusted R^2	.6519
		F -statistic	183.38
		p -value	<.0001
		Sample size	100