

ECON 626: Empirical Microeconomics
Nonparametric Bootstrap Demonstration

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Two datasets are available for this in-class activity.

The first (`example-discrete.dta`) has 16 observations of discrete data;
the second (`example-continuous-resid.dta`) has 13 observations of continuous data.

In the first, try regressing y on t . In the second, regress y on x . Having done this, instead of relying on asymptotic confidence intervals, construct a nonparametric bootstrap confidence interval by sampling (with replacement) observations from the dataset so as to construct a new dataset of the same size as the old one. How do the confidence intervals change? What does listing the data (or scattering the data) suggest?