Simple Regression

Single equation regression estimation in EViews is performed using the ***Equation Object.***

Etude de Cas:

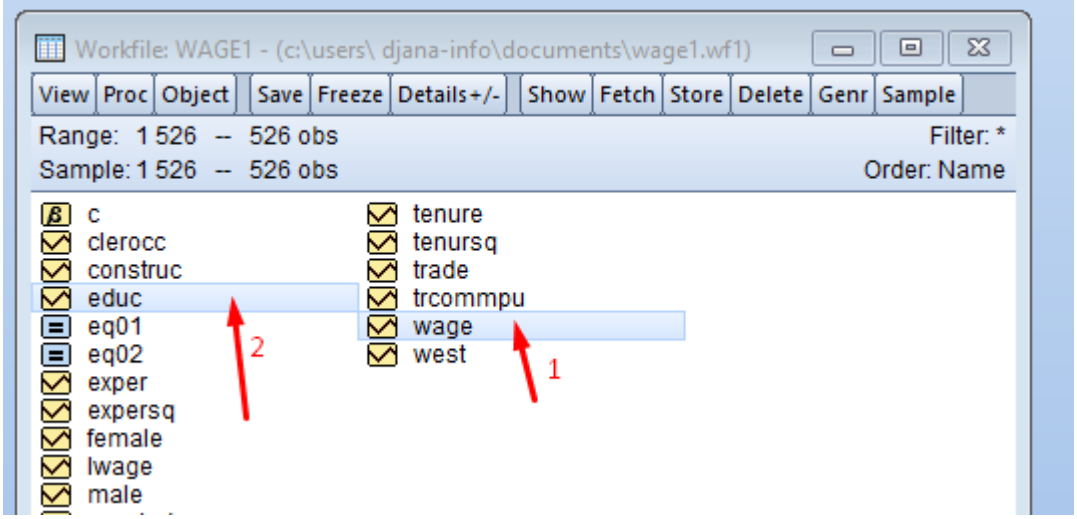
We use the work file given 'Wage1'.

Given the following question: does the level of education influence an individual's salary?

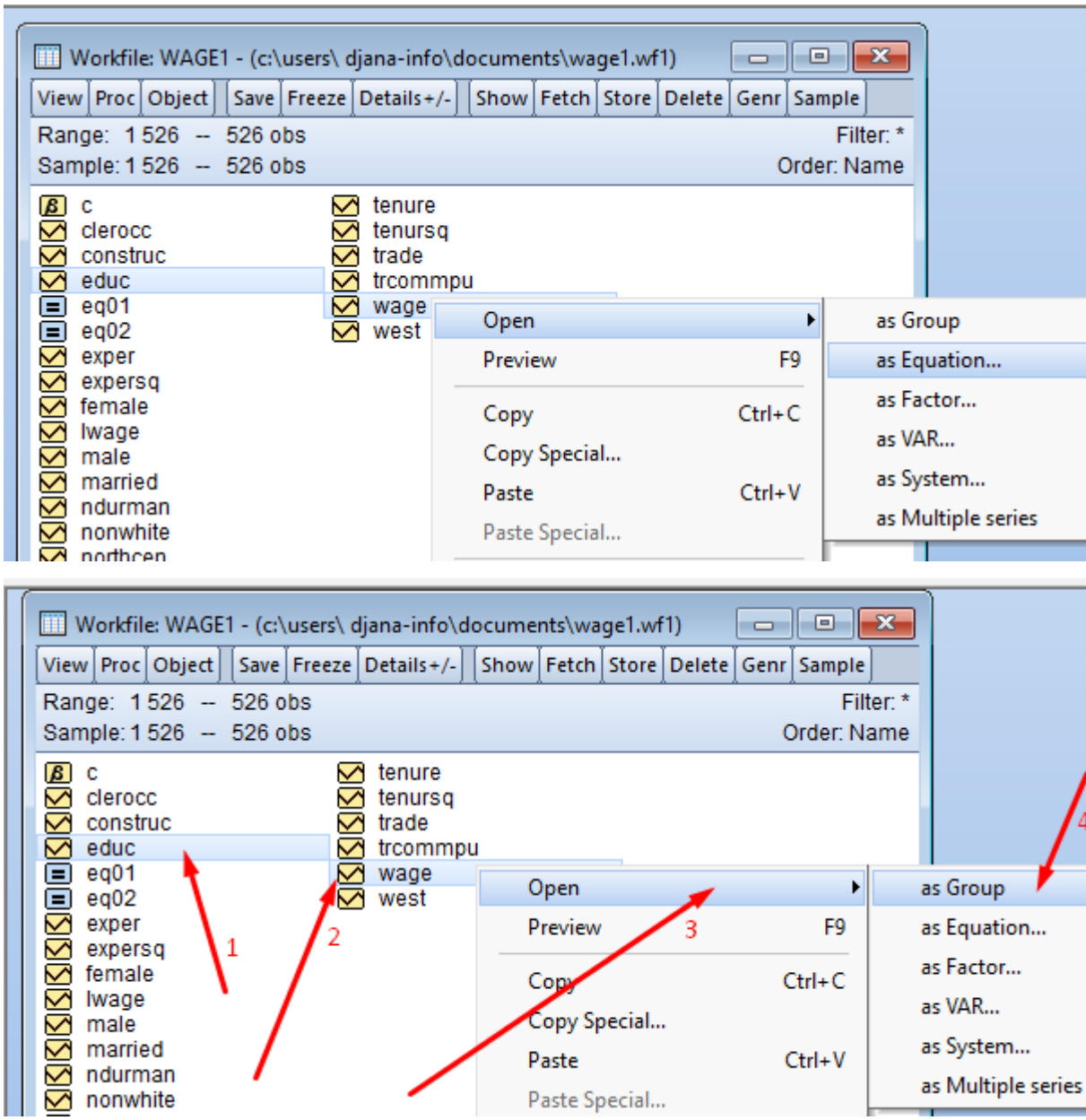
if this influence exists, how can it be quantified?

how to predict an individual's salary based on their level of education

1-Select variables



2- Open Contextual menu

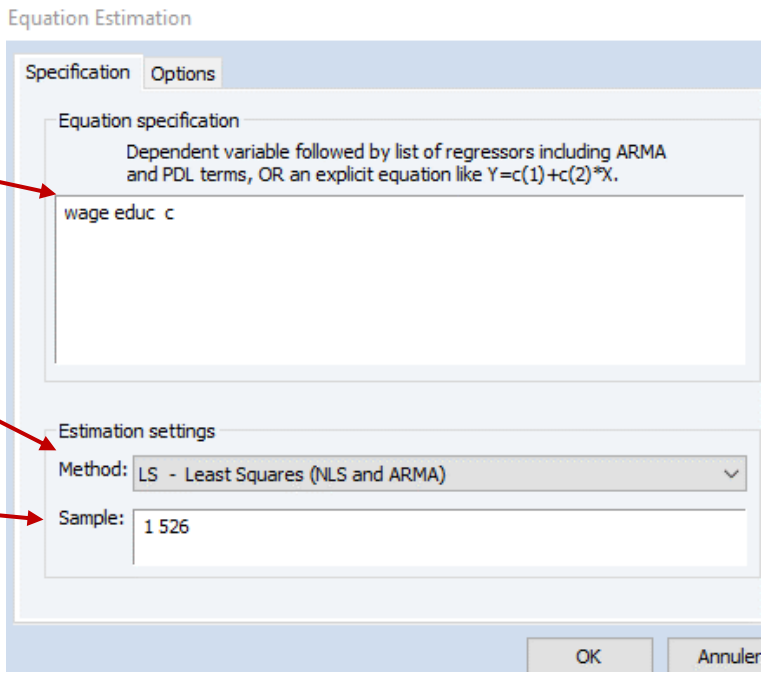


Specify your equation either by:

List or Formula

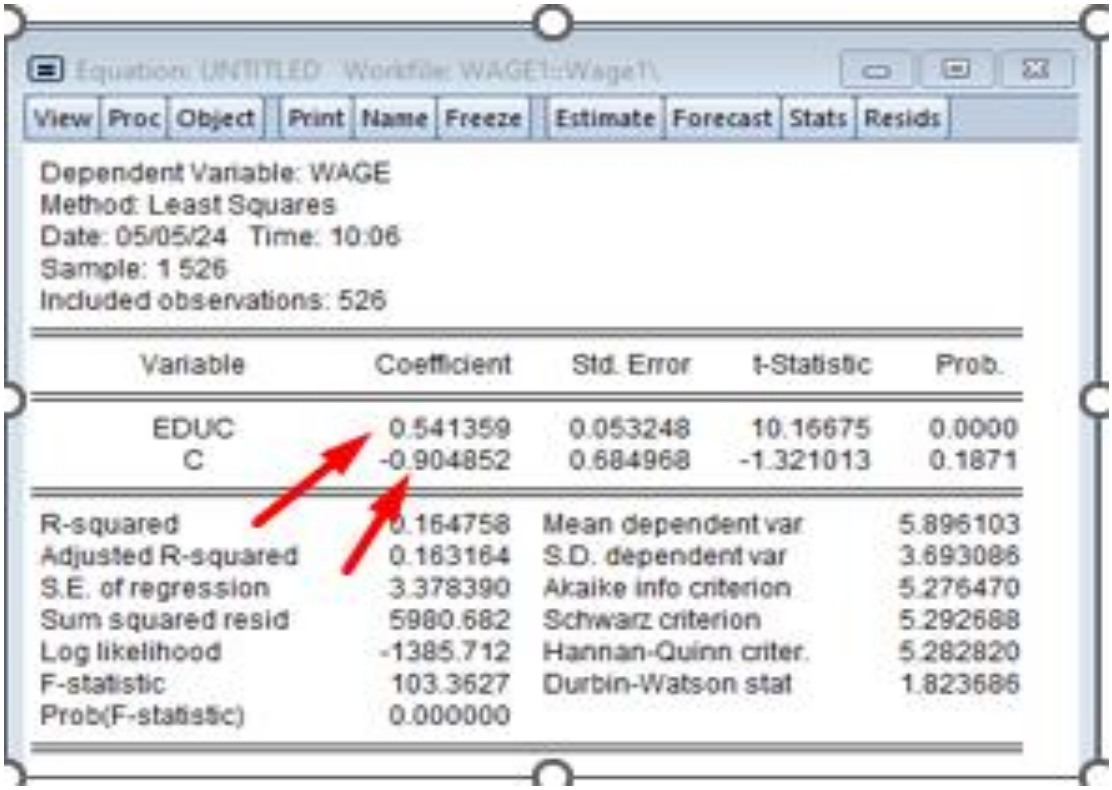
Specify your estimation method

Specify your sample

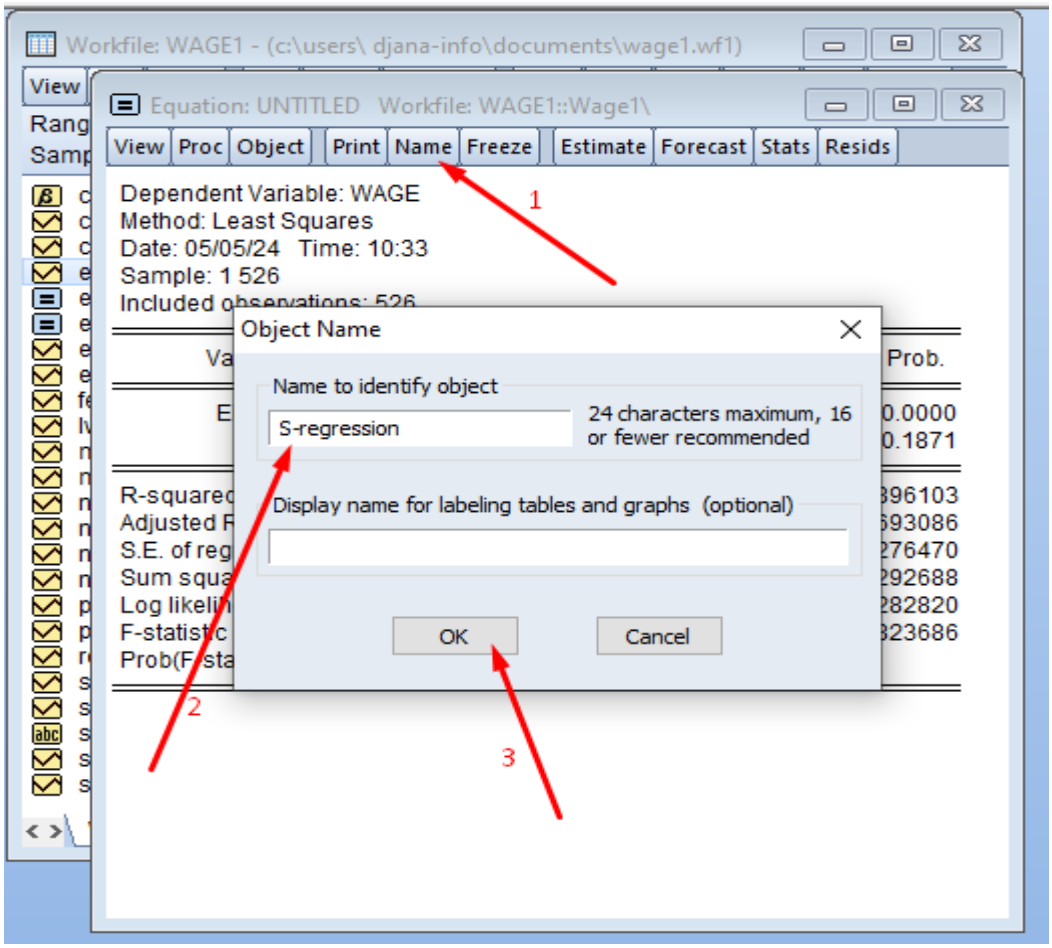


3-Cli on OK.

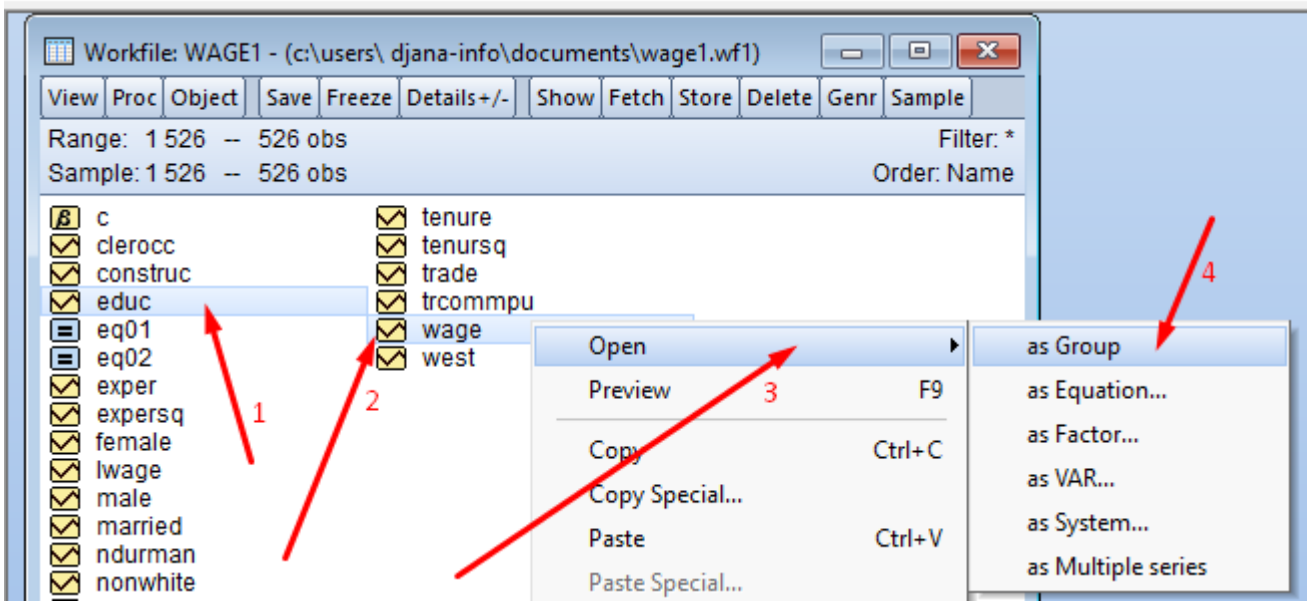
this window is displayed

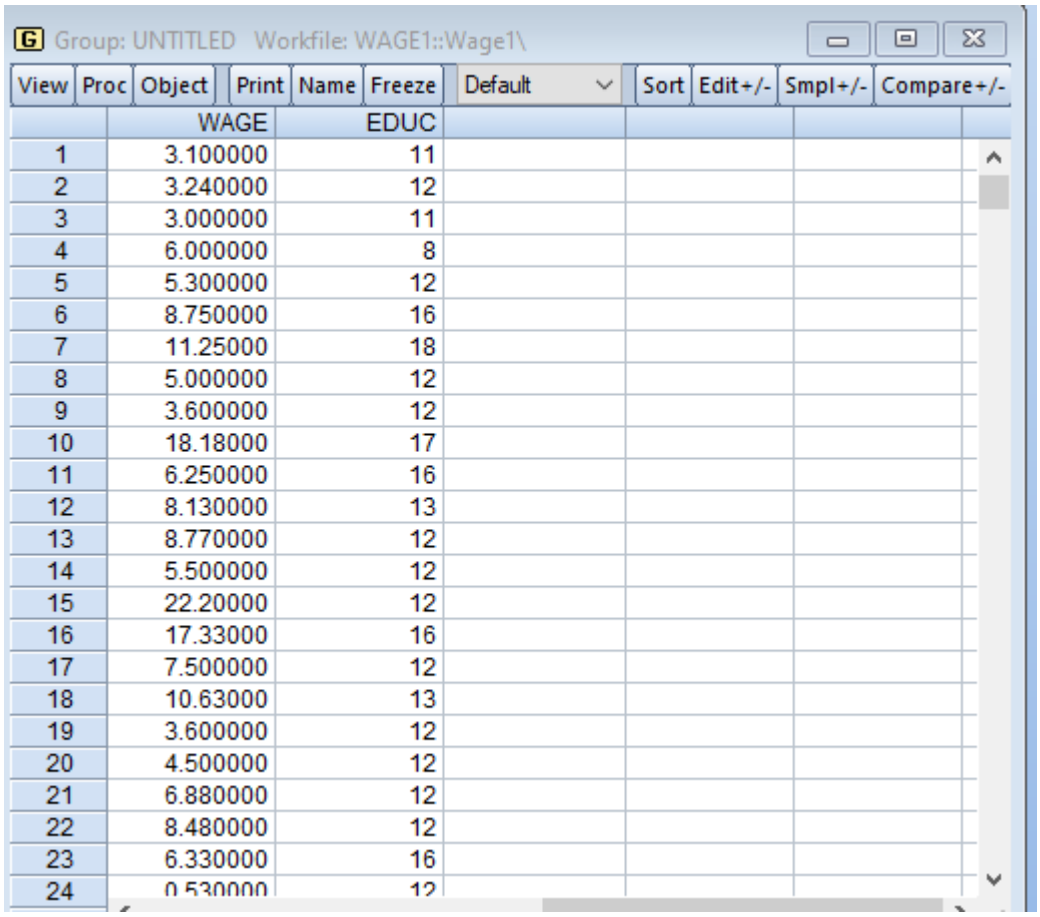


4- save/name simple regression equation (S-regression)



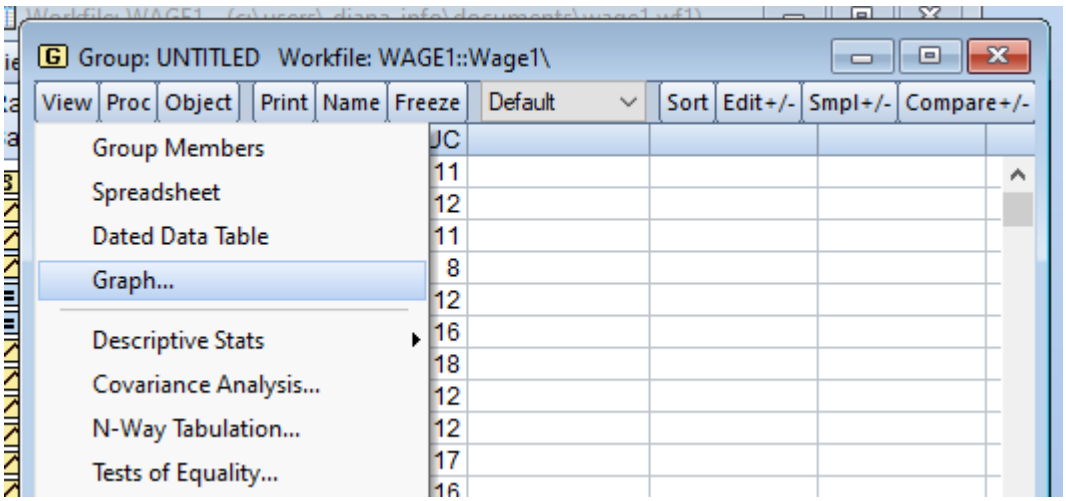
5- Open variables (educ, wage)



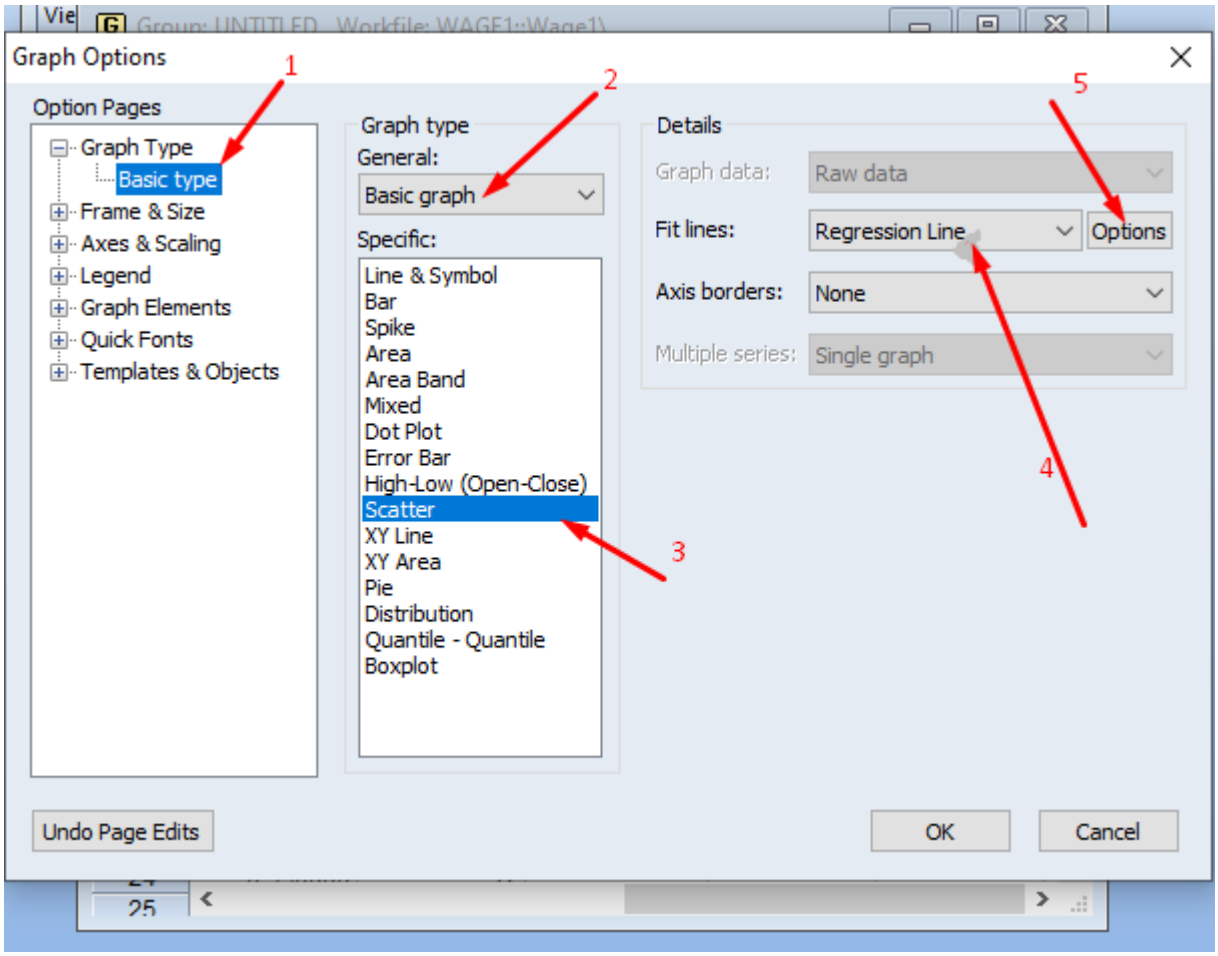


	WAGE	EDUC
1	3.100000	11
2	3.240000	12
3	3.000000	11
4	6.000000	8
5	5.300000	12
6	8.750000	16
7	11.25000	18
8	5.000000	12
9	3.600000	12
10	18.18000	17
11	6.250000	16
12	8.130000	13
13	8.770000	12
14	5.500000	12
15	22.20000	12
16	17.33000	16
17	7.500000	12
18	10.63000	13
19	3.600000	12
20	4.500000	12
21	6.880000	12
22	8.480000	12
23	6.330000	16
24	0.530000	12

6- cli on View→Graph



7- Select (1,2,3, 4) and clic on 5 (Options)



8-We get the next window: