Heteroskedasticity

- Consequences
- 4 Heteroskedasticity-Robust Inference
- Testing
- Weighted Least Squares

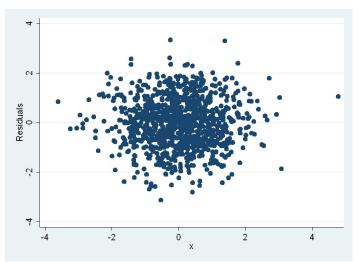
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Consequences

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Consequences (cont.)

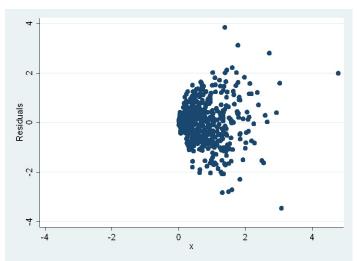
Homoskedasticity example



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Consequences (cont.)

Heteroskedasticity example



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Heteroskedasticity-Robust Inference

Haiku by Keisuke Hirano

T-stat looks too good. Use robust standard errorssignificance gone.

https://keihirano.github.io/haiku.html

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Testing

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Weighted Least Squares

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