

ECON 4130
2006 H
HG

Written Paper III 2006H (compulsary)

(To be submitted (in English or Norwegian), Monday 6 November, at Ekspedisjonskontoret 12th floor ES.)

Exam “Autumn 2004 – Postponed Exam”: Sections A – H

Hint for B: Note that $Y = e^X$.

Hint for H: Note that $\gamma = \sqrt{e^{\sigma^2} - 1}$ is a strictly increasing function of σ^2 . Utilize this to transfer directly a CI for σ^2 to a corresponding CI for γ . Explain why this operation does not affect the degree of confidence.