**Instructions:**

* **Use Stata (version 12) to run all the regressions**
* **Save the Stata code in a do.file to be sent together with the answers to the homework.**
* **Table 3 of the Dasgupta & Mani (2015) can be found on page six (06) using the following link:** [**https://faculty.fordham.edu/smani/smani/Research\_files/Dasgupta\_Mani\_World\_Development\_Published.pdf**](https://faculty.fordham.edu/smani/smani/Research_files/Dasgupta_Mani_World_Development_Published.pdf)

Use the data file (HW4\_data.dta) and estimate the following two regression models (that is, provide OLS estimates and associated standard errors for all β coefficients in each of the two models). The following two models are variants of models 1 and 2 specified in Table 3 of Dasgupta and Mani (2015). The dependent variable “public” is the same as the dependent variable used in Table 3 of Dasgupta and Mani (2015). All right-hand side variables specified below are also as specified in Dasgupta and Mani (2015).

For the purpose of this exercise, the variables can be summarized as:

* Public: binary variable (1 if the individual chose to spend money on his/her family, 0 if the money was spent only on him/herself).
* Treatment: binary variable (1 if the individual had to exert effort to gain the money, 0 if s/he did not)
* Male: binary variable (0 for a female, 1 for a male)
* Age in years is a continuous variable

Model 1: Publici = βo + β1 Male I + β2 Treatmenti + ei

Model 2: Publici = βo + β1 Malei + β2 Treatmenti + β3 Treatment\*Malei + ei

1. Does gender differ by treatment status? Also check if age varies by treatment status. What would a simple ttest on age (or gender) by treatment help us determine/conclude?
2. Use simple OLS regression technique to estimate models 1-2. Present the results in a Table similar to Table 3 of Dasgupta and Mani (2015). How do you interpret in words each of the β coefficients in the models? Also comment on the statistical significance of these coefficients.