Correction on Eviews Tutorial Class

(Notes from Peerawat Samranchit, EE425 TA)

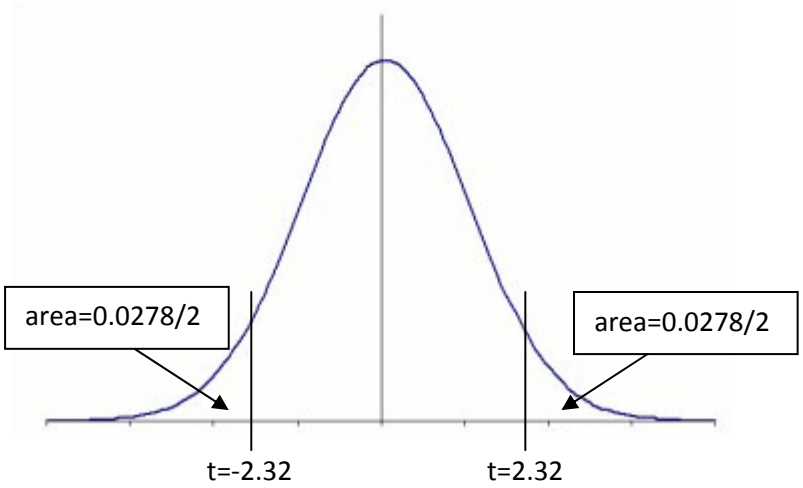
In the tutorial class, we ran the model $ncons = \beta_1 + \beta_2 ngdp + \varepsilon_t$. The result obtained from EViews was

Dependent Variable: NCONS
Method: Least Squares
Date: 09/06/11 Time: 21:55
Sample: 1980 2009
Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	52620.85	22675.76	2.320577	0.0278
NGDP	0.546443	0.004813	113.5400	0.0000

R-squared	0.997833	Mean dependent var	2196165.
Adjusted R-squared	0.997755	S.D. dependent var	1452070.
S.E. of regression	68796.54	Akaike info criterion	25.18003
Sum squared resid	1.33E+11	Schwarz criterion	25.27345
Log likelihood	-375.7005	F-statistic	12891.33
Durbin-Watson stat	0.670393	Prob(F-statistic)	0.000000

The error I made was about the interpretation of Prob. (or p-value). In the class, I told you that the p-value is 1-tail which is not correct. The p-value presented in Eviews table (0.0278) represents a 2-tail test.



According to the diagram, in the case of $\hat{\beta}_1$ where the t-stat is 2.32058, 1-tail p-value is 0.0278/2.