Paper Discussion No. 3


General Overview

1.) What is the paper about?
2.) What is the most important finding?

Detailed Questions

3.) What is the main problem the paper deals with? Give reasons for why is OLS biased.
4.) How does the author solve the problem? Briefly explain the instrumental variables (IV) method.
5.) How convincing is the instrument Card uses? What could be counter-arguments?
6.) Explain the main results shown in tables 4 and 5.
7.) Illustrate the relevance of the distance to college in a diagram for optimal schooling.
8.) What may be the reasons for the finding that the IV estimates are much higher than the OLS estimates?