

GV903: Advanced Research Methods

Class 16 Discrete Choice Models

Download the Expenditure and Default Data from Greene's website [here](#) and save it in your M drive in your GV903 folder (preferably in a data subfolder). Open RStudio and after you set the working directory appropriately, read the data in R using the `read.csv` function.

Suppose you are working for a bank and your supervisor provided you with this data. He is concerned to understand more about default probability of the clients and asked you to perform a small analysis and provide a brief report with your conclusions.

We'll go step by step together with the new models and functions you need to use.