

FOURTH SEMESTER P.G. DEGREE EXAMINATION, JUNE 2018

(CCSS)

Economics

ECO 4E 03—APPLIED ECONOMETRICS

(2013 Admissions)

Maximum : 80 Marks

Time : Three Hours

Part A*Answer all questions.**Each question carries 1 mark .*

1. Which of the following is part of panel data analysis ?
 - (a) Fixed effects approach.
 - (b) BLUE.
 - (c) Dummy variable model.
 - (d) Augmented model.
2. A researcher was given to analyse the data on a particular country which included exports and imports from 1990 to 2018.: comment on the type of data :
 - (a) Cobbled data.
 - (b) Time series data.
 - (c) Panel data.
 - (d) Cross section data.
3. If a relevant variable is omitted from a regression the consequence would be that :
 - (a) Standard errors would be biased.
 - (b) Unbiased R².
 - (c) Inconsistent slope coefficient.
 - (d) Both (a) and (c).
4. AR model is used for :
 - (a) Auto-correlation.
 - (b) Econometric forecasting.
 - (c) Test of goodness of fit.
 - (d) Unbiasedness.
5. Phillips Perron test shows the presence of :
 - (a) ARMA.
 - (b) ECM.
 - (c) Unit root.
 - (d) Panel data.

Turn over

6. Which of the following is not a forecasting measure ?
- (a) ARCH. (b) GARCH.
(c) VAR. (d) LPM.
7. When independent variables in the equation are correlated it lead to :
- (a) Autocorrelation. (b) Multicollinearity.
(c) Heteroscedasticity. (d) Effect Lag.
8. Which of the following models can be used for studying the financial market performance of a Company named ABC with regard to asset pricing and returns
- (a) LRM. (b) OLS.
(c) ECM. (d) GARCH.
9. Which of the following is not a model used in time series analysis ?
- (a) Philips Perron. (b) Box Jenkins.
(c) ADF. (d) All the above.
10. Which of the following is true ?
- (a) Random effects model studies the effect of data mining
(b) Time series data uses pooled data
(c) Econometric forecasting uses ARCH models
(d) None of the above

Part B

(10 × 1 = 10 marks)

*Answer any eight questions.
Each question carries 5 marks.*

11. Explain random effects model.
12. What do you mean by unit root ? Explain
13. Explain dickey fuller test.
14. What is tobit model. What are its uses.
15. What do you mean by ARMA ?
16. Explain VAR methodology.

17. Examine Box Jenkins methodology.
18. Explain the uses and significance of time series data.
19. Outline probit model.
20. What is ARCH Model.
21. What do you mean by cointegration ?
22. Explain single equation model of forecasting

(8 × 5 = 40 marks)

Part C

*Answer any **two** questions.*

Each question carries 15 marks.

23. Critically analyse the importance of panel data regression .
24. Briefly explain qualitative response regression models with suitable examples
25. Explain in detail the philip perron test, what are its drawbacks.
26. Examine the use of econometrics in demand and production analysis what do you mean by demand forecasting ?

(2 × 15 = 30 marks)