

FOURTH SEMESTER P.G. DEGREE EXAMINATION, MAY/JUNE 2019

(CCSS)

Economics

ECO 4E 03—APPLIED ECONOMETRICS

(2013 Admissions)

Time : Three Hours

Maximum : 80 Marks

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

1. In Moving Average Model (MA) Y depends on :
(A) Previous time period error term. (B) Current time period error term.
(C) Both. (D) None.
2. Example of a model not derived from economic theory is _____.
(A) VAR Model. (B) ARIMA Model.
(C) Both. (D) None.
3. ARIMA Model is also popularly known as _____.
(A) Box Jenkins Methodology. (B) Auto Regressive average.
(C) Any of the above. (D) None.
4. In ARMA (p, q) process, p denotes :
(A) Autoregressive terms. (B) Moving Average terms.
(C) Average terms. (D) (A) and (B).
5. Cross sectional data means to observe the value of variables :
(A) At a point of time. (B) Over a period of time.
(C) Constant time period. (D) None.
6. Combination of time series and cross sectional data :
(A) Panel data. (B) Pooled data .
(C) (A) and (B). (D) None.

Turn over

7. Data set where each subject has the same number of observations :
(A) Unbalanced panel. (B) Balanced panel.
(C) Short panel. (D) Long panel.
8. Pooled OLS regression model is also known as _____.
(A) Constant variable model. (B) Constant correlation model.
(C) Constant co-efficient model. (D) Constant variance model.
9. The intercept is fixed over subject but not over time in _____.
(A) Two way fixed effects model. (B) One way fixed effects model.
(C) Random effect model. (D) None.
10. In a multiple regression the regression co-efficients are to be tested. Which test would be used :
(A) F-test. (B) Chi-square test.
(C) D test. (D) T-test.

(10 × 1 = 10 marks)

Part B

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

11. State briefly the features of Probit model.
12. What are the limitations of Qualitative Response Models ?
13. Elucidate briefly the Logit interpretation and odds interpretation.
14. What is auto correlation function ? How it is denoted and defined by formula ?
15. Explain shortly the concept of co-integrated regressions.
16. What is autoregressive model ? Give two properties.
17. Distinguish the concepts of homoscedasticity and heteroscedasticity.
18. What is time series data ? How it differs from other types of data ?
19. Discuss briefly various approaches to Estimation.
20. What are the limitations of econometric approach ?

21. Give an illustration of econometric application in demand analysis.
22. State briefly the problems with auto-regressive models.

(8 × 5 = 40 marks)

Part C

*Answer any **two** questions.
Each question carries 15 marks.*

23. What is Tobit model ? How the Tobit model differs from Logit models ? Illustrate few examples.
24. Compare and contrast Augmented Dicky Fuller test with that of Phillip Perron test. What is their application in economics ?
25. Discuss briefly the use of ARIMA models in Economics. Illustrate with suitable examples ?
26. What is the application of econometrics in demand analysis ? State briefly the limitations of econometric approach in economics.

(2 × 15 = 30 marks)