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Name.....

Reg. No.....

THIRD SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2015

(CCSS)

Economics

ECO 3C 10—ECONOMETRICS

(2013 Admissions)

Time : Three Hours

Maximum : 80 Marks

Section A

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

Choose the correct answer :

1. The third stage in the methodology of Econometric Research is :
(a) Estimation stage. (b) Evaluation stage.
(c) Specification stage. (d) None of the above.
2. Statistical criteria is also termed as :
(a) First order tests. (b) Third order tests.
(c) Second order tests. (d) None of the above.
3. The ratio of explained variation to total variation is :
(a) r . (b) R^2 .
(c) $\bar{R}$. (d) None of the above.
4. Standard error test is also known as :
(a) F test. (b) 't' test.
(c) Chi-square test. (d) None of the above.
5. The order condition for identification is :
(a) $(K-M) > (G-1)$. (b) $(K-M) \geq (G-1)$.
(c) $(K-M) \leq (G-1)$. (d) $(K-M) < (G-1)$.
6. Dummy variables are also known as :
(a) Quantitative variables. (b) Qualitative variables.
(c) Predetermined variables. (d) None of the above.
7. Confluence Analysis is associated with :
(a) Heteroscedasticity. (b) Autocorrelation.
(c) Multicollinearity. (d) None of the above.

Turn over

8. A complete system of equations are known as :
- (a) Reduced form model. (b) Structural model.
(c) Structural equation. (d) None of the above.
9. $u_t = P_{ut-1} + v_t$ is :
- (a) Second order autocorrelation. (b) First order autocorrelation.
(c) Third order autocorrelation. (d) None of the above.
10. If the equation is over identified, the appropriate method to be used :
- (a) ILS. (b) 2SLS.
(c) 3SLS. (d) None of the above.

(10 × 1 = 10 marks)

Section B

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

11. Explain the stochastic assumption of OLS method.
12. Write a short note on Gauss Markov theorem.
13. What are the salient features of multiple regression model ?
14. How to detect Multicollinearity ? Suggest two remedial measures.
15. Write a short note on the consequences of autocorrelation.
16. Discuss the reasons for lags.
17. What are the salient features of Koyck's lagged model ?
18. Explain the methodology for estimating a model with one dummy variable.
19. Explain dummy variable trap.
20. How will you interpret the estimates of a dummy variable regression model ?
21. Explain the salient features of recursive model.
22. Explain rank conditions for identification.

(8 × 5 = 40 marks)

Section C

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

23. Illustrate the stages of econometric research with an example.
24. What are the causes of Heteroscedasticity ? How to detect it ? Suggest remedial measures.
25. Explain Almon's polynomial models.
26. Explain the methodology of Indirect Least Squares (ILS) method.

(2 × 15 = 30 marks)