FOURTH SEMESTER M.A. DEGREE EXAMINATION, APRIL2022

(CBCSS-PG)

(Regular/Supplementary/Improvement)

CC19P ECO4 E01 - ADVANCED ECONOMETRICS

(Economics - Elective Course)

(2019 Admission onwards)

Time: Three Hours   Maximum: 30 Weightage

Part A

Answer *all* questions Each question carries 1 weightage.

1. If the regression model includes not only the current but also the lagged values of the explanatory variables, it is called a _____ Model

   a) Instrumental Variable   b) Autoregressive

   c) Distributed   d) Linear

2. _____ is an approach to economic forecasting based on time series data

   a) ARIMA   b) VAR

   c) Simultaneous Equation Model   d) All the above

3. A very popular method of modeling stationary time series is known as _____ methodology

   a) Box Jenkins   b) ILS   c) 2 SLS   d) Both b and c

4. _____ test tests the null hypothesis that a unit root is present in an autoregressive time series model.

   a) Identification   b) Durbin h   c) IV   d) Dickey–Fuller

5. _____ models generalize the single-variable (univariate) autoregressive model by allowing for multivariate time series.

   a) VAR   b) Probit   c) Logit   d) None of the above

6. _____ Data sometimes referred to as longitudinal data, is data that contains observations about different cross sections across time.

   a) Cross section   b) Time series c) Panel   d) All the above

7. The Fixed Effects Regression Model is used to estimate the effect of intrinsic characteristics of individuals in a panel data set.

   a) True   b) False   c) Not specified   d) Both a and b

8. A _____ model is a type of regression where the dependent variable can take only two values,

  a) Tobit   b) Probit   c) Logit   d) All the above

9. Stock Adjustment model is put forward by…

  a) Nerlov   b) Fischer   c) Keynes   d) Koyeck

10. A _____ relationship is a mathematical relationship in which two or more events or variables are associated but not causally related, due to either coincidence or the presence of a certain third, unseen factor.

  a) Linear   b) Spurious   c) Quadratic   d) Polynomial

11. _____ is an approach in econometrics where the coefficients in a simultaneous equations model are estimated from the reduced form model using ordinary least squares.

  a) Indirect Least square   b) OLS

  c) 2 SLS   d) 3SLS

12. A white noise process is a random process of random variables that are uncorrelated, have mean zero, and a finite variance.

  a) True   b) False   c) Cant be defined   d) None

13. _____ data refers to samples of the same cross-sectional units observed at multiple points in time.

  a) Panel   b) Longitudinal   c) Pooled   d) Both a and b

14. _____ is an approach in econometrics where the coefficients in a simultaneous equations model are estimated from the reduced form model using ordinary least squares.

  a) Indirect least squares   b) Instrumental variable

  c) Maximum Likelihood   d) ARIMA

15. The Durbin-Watson statistic will always have a value ranging between _____

  a) 0 and 1   b) 0 and 2   c) 0 and 3   d) 0 and 4

(15 × 1/5 = 3 Weightage)

Part B (Very short answer Type Questions)
Answer any *five* questions. Each question carries 1 weightage.

16. What is meant by Spurious regression?

17. Explain Unit Roots

18. Define Instrument exogeneity.

19. What is Vector Auto regression?

20. Explain Dickey Fuller test

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21. Define the Method of 2 SLS.

22. Distinguish between Autoregressive and Distributed Lag Models.

23. Explain the rules of Identification.

(5 × 1 = 5 Weightage)

Part C (Short answer Type Questions)
Answer any *seven* questions. Each question carries 2 weightage.

24. Write a short essay on Recursive Models.

25. How we can estimate Instrumental Variables?

26. Write a note on Durbin h- test.

27. Write a short note on the AR and MR Models?

28. Compare ARCH and GARCH Models

29. Explain Adaptive expectation Model

30. Explain Box Jenkins Methodology

31. What do you mean by Method of Indirect Least squares?

32. Explain Stock Adjustment Model

33. Write a note on stationary versus non stationary stochastic processes

(7 × 2 = 14 Weightage)

Part D (Essay Type Questions)
Answer any *two* questions. Each question carries 4 weightage.

34. Write an essay on Qualitative Response Regression Models?

35. Briefly explain Almon's approach to distributed lag model

36. Give a detailed essay on Time series Econometrics

37. Briefly explain about Panel Data regression Models?

(2 × 4 = 8 Weightage)

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