15P327 (Pages:2) Name……..

Reg. No……..

THIRD SEMESTER M.A. DEGREE EXAMINATION, NOV. 2016

(CUCSS - PG)

(Economics)

CC15P ECO3 C12 - Basic Econometrics

(2015 Admission)

Time : Three Hours Maximum : 36 Weightage

Part A

(Objective Type Questions. Answer ***all*** questions)

1. A hypothesis is a
   (a) Testable proposition (b) An imaginative idea
   (c) An apriori statement (d) an assumption

2. An econometric model is basically
   a) Stochastic (b) Exact
   b) Linear (d) Non linear

3. Regression between X and Y assuming other variables constant:
   (a) Simple (b) Multiple
   (c) Constant (d) Partial

4. The distribution of random term in classical linear regression model is
   (a) Normal (b) Log normal
   (c) Half normal (d) Asymmetrical

5. The coefficient of determination R^2 lies in between
   (a) $-\alpha$ to $+\alpha$ (b) -1 and +1
   (c) 0 to 1 (d) -1 to 0

6. In the case of Heteroscedasticity the variance of u is
   (a) Zero (b) One
   (c) Constant (d) Not constant

7. Durbin Watson d test is a method to detect the presence of
   (a) Autocorrelation (b) Heteroscedasticity
   (c) Multicollinearity (d) Structural stability

8. Confluence analysis is associated with
   (a) Multicollinearity (b) auto correlation
   (c) Heteroscedasticity (d) None of the above

9. Glejser test is used to detect
   (a) Multicollinearity (b) auto correlation
   (c) Heteroscedasticity (d) None of the above

10. The repeated surveys of a single sample in different period of time is called
    (a) Time series data (b) cross section data
    (c) Panel data (d) pooled data

11. In the construction of an econometric model, the formation of maintained hypothesis means:
    (a) Specification (b) Estimation
    (c) Evaluation (d) Forecasting

12. To verify the Phillips curve, which functional form is appropriate?
    (a) Double Log model (b) Semi log model
    (c) Reciprocal Model (d) Log Reciprocal Model

(12 x $\frac{1}{4}$ = 3 Weightage)

Part B

(Very short answer type questions. Answer ***any five*** questions)

13. Explain the properties of an econometric model
14. Explain t test
15. Explain BLUE property
16. Differentiate between $R^2$and Adjusted R^2
17. Explain Auto correlation and its consequences
18. Explain lin log model?
19. What are the assumptions of a simple linear regression model?
20. Explain the need for a random error term in an econometric model.

(5 x 1 = 5 Weightage)

Part C

(Short Answer Type Questions. Answer ***any eight*** questions)

21. Explain the methods of detecting multi collinearity
22. Explain semi log models
23. What are the remedies of Heteroscedasticity?
24. Explain Confluence test.
25. Explain distributed lag model
26. Explain Dummy variables
27. Explain Heteroscedasticity and its consequences
28. Differentiate between panel and pooled data
29. What is Autoregressive distributed lag model?
30. Explain Multicollinearity and its consequences
31. Explain estimation of elasticity using log-log model?

(8 x 2= 16 Weightage)

Part D

(Essay Type Questions. Answer ***any three*** questions)

32. State and explain the Gauss Markov theorem
33. Explain multiple regression model
34. Define dummy variables and explain the various uses of dummy variables in regression models
35. Discuss autocorrelation, sources, consequences, detection and remedial measures
36. Discuss the detailed methodology of classical econometrics?

(3 x 4 = 12 Weightage)

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