18P336 (Pages: 2) Name……..

Reg. No……..

THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2019

(Regular/Supplementary/Improvement)

(CUCSS - PG)

CC15P ECO3 C12 - BASIC ECONOMETRICS

(Economics)

(2015 Admission onwards)

Time : Three Hours Maximum : 36 Weightage

Part A

(Objective Type Questions)

Answer all questions. Each question carries ¼ weightage.

1. When R^2 is adjusted to the degrees of freedom it is known as ……

   a) Adjusted R^2 b) Corrected R^2 c) Both a and b d) None of the above

2. Multicollinearity refers to perfect …… relationship among explanatory variables.

   a) Non linear b) Linear c) Stochastic d) Non stochastic

3. T test is a …… sample test.

   a) Small b) Large c) Both a and b d) None of the above

4. Park test is used to detect ……

   a) Autocorrelation b) Heteroscedasticity c) Multicollinearity d) All the above

5. Instrumental variables is also known as …… variables

   a) Disturbance b) Error c) Stochastic d) Proxy

6. The value of the co-effiecient of determination lies in between ……

   a) 0 and 1 b) -1 and +1 c) -1 and -2 d) None of the above

7. In the precence of perfect Multicollinearity the standard errors of the regression co-efficients become ……

   a) 0 b) 1 c) -1 d) Infinity

8. Dependent variable is also known as …… variable.

   a) Response b) Predictant c) Regressand d) Endogenous

9. As per CLRM, the mean value of U_i is ……

   a) 0 b) 1 c) -1 d) Infinity

10. A theory is a …….. hypothesis.

    a) Invalid b) Validated c) True d) Real

11. T-test is used in cases where n in less than ……

    a) 200 b) 50 c) 30 d) 10

12. Coefficient of determination is ……

    a) r b) r^2 c) x^2 d) R

(12 x ¼ = 3 Weightage)

Part B

(Very short answer Type Questions)

Answer any ***five*** questions. Each question carries 1 weightage.

13. Distinguish between PRF and SRF.
14. Write a note on F test.
15. Explain ANCOVA.
16. What do you mean by the restricted least squares?
17. Distinguish between Econometrics and Mathematical economics.
18. What are the main uses of econometrics?
19. What are reciprocal models?
20. Explain the main normality assumptions.

(5 x 1 = 5 Weightage)

Part C

(Short Answer Type Questions)

Answer any ***eight*** questions. Each question carries 2 weightage.

21. Explain Multicollinearity and its detection.
22. Distinguish between R^2 and Adjusted R^2.
23. What are the different functional forms of regression models?
24. Briefly explain the main assumption underlying the method of OLS.
25. What do you mean by coefficient of determination?
26. Explain dummy variable trap.
27. Write a note on the matrix approach to estimate and derive OLS estimators.
28. Explain piece wise linear regression.
29. What are the major types of specification errors?
30. How far the error term is significant in a regression analysis?
31. Explain the method of OLS.

(8 x 2=16 Weightage)

Part D

(Essay Type Questions)

Answer any ***three*** questions. Each question carries 4 weightage.

32. Explain the nature, consequences, detection and remedial measures of Heteroscedasticity?
33. Write an essay on the methodology of econometrics.
34. What is autocorrelation? What are the main causes of autocorrelation and how it is detected?
35. State and explain the BLUE properties.
36. Explain Errors of measurement and point out their consequences and remedies.

(3 x 4 = 12 Weightage)

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