LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – **ECONOMICS**

SECOND SEMESTER – **JUNE 2015**

EC 2811 - ECONOMETRICS

Date : 01/07/2015 Dept. No. Max. : 100 Marks

Time : 10:00-01:00

Part – A

Answer any FIVE questions in about 75 words each. (5 x 4 = 20 marks)

1. Write short note on Pooled data and Micropanel data.
2. What is meant by Multicollinearity?
3. Distinguish between Homoscedasticity and Hetroscedasticity.
4. Define First-Order Autoregressive scheme.
5. What are errors of measurement?
6. What is an Instrumental Variable?
7. Write a short note on Recursive Model with example.

Part –B

Answer any FOUR questions in about 300 words each. (4 x 10 = 40 marks)

8. Briefly explain the methodology of econometrics.
9. Bring out the assumptions of CLRM.
10. Explain the uses of Dummy variables.
11. ‘Method of Least squares model can be extended to ‘k’ number of explanatory variable’ – Discuss.
12. Explain the Durbin-Watson *d*statistic for detecting autocorrelation.
13. Elucidate the Breusch-Pagan Godfrey test and Whites General Heteroscedasticity test.
14. Illustrate the Overidentification problem.

Part –C

Answer any TWO questions in about 900 words each. (2 x 20 = 40 marks)

15. Derive the parameter estimates in deviational form for a Simple Linear Regression Model.
16. Discuss the nature, causes and consequences of Multicollinearity and explain remedial measures.
17. Show that a relationship between the disturbance term leads to autocorrelation. Discuss the causes, consequences and remedial measures.
18. Analyse the 2SLS method and bring out its features.

****