LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

SECONDSEMESTER – APRIL 2018

17/16PEC2MC04- ECONOMETRICS

Date: 23-04-2018 Dept. No. Max. : 100 Marks
Time: 09:00-12:00

PART – A

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

1. Write a short note on 'Linearity' in Econometrics.
2. Distinguish between Stochastic error term and Residual error term.
3. What are 'standardized variables'?
4. State the procedure for avoiding a Dummy Variable Trap.
5. Distinguish between autocorrelation and serial correlation with relevant examples.
6. State the reasons for 'lags' in Economics?
7. Write a short note on Autoregressive schemes.

PART – B

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

8. State and prove the Gauss-Markov Theorem.
9. Explain the significance of r^2 as ameasure of 'Goodness of Fit'.
10. Briefly explain the various reasons for the presence of Heteroscedasticity.
11. Explain the various types of specification errors with relevant examples.
12. Enumerate the procedure for estimating the partial regression coefficients in the presence of Multicollinearity.
13. Explain the application of ANCOVA models in regression models containing both quantitative and qualitative variables.
14. Explain the guidelines for choosing appropriate functional forms.

PART – C

Answer any TWO questions in about 1200 words each (2 x 20 = 40)

15. Explain the methodology of Econometrics.
16. Elucidate the Two Stage Least Squares (2SlS) method of estimation. Explain the features of 2SLS.
17. Explain the application of OLS estimation in the various functional forms.
18. Enumerate the method to estimate distributed-lag models as proposed by Koyck.

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