LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**M.A.** DEGREE EXAMINATION - **ECONOMICS**

THIRD SEMESTER – NOVEMBER 2010

# EC 3811 / 3875 - APPLIED ECONOMETRICS

Date : 09-11-10 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

PART A

Answer any FIVE of the following questions:- [ 5x4=20 marks]

1. What is meant by structural break or structural change?
2. Distinguish between probit and logit techniques.
3. What is meant by count R2?
4. What is censored regression?
5. Define a ‘Random Walk Model’.
6. What is cointegration?
7. Distinguish between ‘ARCH’ and ‘GARCH ‘ models .

PART B

Answer any FOUR of the following questions:- [4X10=40 marks]

1. Outline the procedure for testing ‘Linear Equality Restrictions’.
2. Explain the idea behind ‘Linear Probability Model.
3. Outline Recursive Residual Test of model stability.
4. Explain the Probit model as an alternative to LPM.
5. Briefly explain the Error components Model in panel data regression.
6. Explain the procedure of Box-Jenkins methodology.
7. Discuss the estimation aspects of an ARIMA model.

PART C

Answer any TWO of the following questions:- [ 2X20=40 marks]

1. Discuss the possibilities of panel data models under LSDV approach.
2. Evaluate the tests of stationarity.
3. Discuss the approaches to economic forecasting based on time series data.
4. Explain the Arch and GARCH models in measuring volatility in financial time series.

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