

**M. A. DEGREE END SEMESTER EXAMINATION - OCTOBER 2018****SEMESTER – 3: ECONOMICS (CORE)****COURSE: 16P3ECOT14 – BASIC ECONOMETRICS***(For Regular 2017 Admission / Supplementary 2016 Admission.)*

Time: Three Hours

Max Marks: 75

**PART A**Answer any **EIGHT** of the following, not exceeding half a page

1. Econometric methodology
2. PRF and SRF
3. Hypothesis testing
4. Consequences of model specification errors
5. Reason for heteroscedasticity
6. Non linear regression model
7. Dummy variable trap
8. Instrumental variable
9. Generalized Least Squares
10. Auto Regressive model
11. Adaptive expectations Model
12. Unit Root

(2 x 8 = 16)

**PART B**Answer any **SEVEN** of the following, not exceeding one page.

13. Define Econometrics? Discuss the nature and scope of econometrics
14. What is stochastic variable? Explain the reason for introducing U in econometric model
15. Differentiate between the coefficient of determination and adjusted R<sup>2</sup>?
16. What are the causes and consequences of multicollinearity?
17. Briefly explain the Durbin Watson d- statistic
18. Define the Dummy variable and discuss the uses of dummy variables in economic analysis?
19. Examine the Identification problems and conditions
20. Briefly explain the Simultaneous equation Methods?
21. What are the fundamental concepts of Time series econometrics?
22. How is CES superior to CD as a production function?

(5 x 7 = 35)

**PART C**

Write an essay on any **TWO** of the following.

23. State and explain the assumptions of CLRM with examples
24. Explain the Gauss Markove theorem? State and prove that the OLS estimators are BLUE
25. What is meant by errors of measurement? Discuss the consequences and remedies of errors of Measurement.
26. Estimate the least square regression Model for the Keynesian consumption function given in the table below and interpret the results?

Consumption	70	65	90	95	110	115	120	140	155	150
Family Income	80	100	120	140	160	180	200	220	240	260

(12 x 2 = 24)

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