STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86 (For Candidates admitted during the academic year 2004 – 2005 and thereafter)

SUBJECT CODE: EC/PE/EM34

M.A. DEGREE EXAMINATION NOVEMBER 2007 BRANCH III – ECONOMICS THIRD SEMESTER

COURSE : ELECTIVES

PAPER : ECONOMETRICS

TIME : 3 HOURS MAX.MARKS : 100

SECTION - A

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS. $(5 \times 8 = 40)$

- 1. Discuss the meaning, scope and divisions of Econometrics
- 2. Derive the normal equations by using the method of least squares in a two variable linear model
- 3. Discuss the various functional forms used in econometrics.
- 4. How do you detect heteroscedasticity in econometric estimation?
- 5. Discuss the role of dummy variables in seasonal adjustment.
- 6. What is meant by simultaneous equation bias? Explain with an illustration.
- 7. Discuss the significance of R^2 and \overline{R}^2 in econometric estimation

SECTION - B

ANSWER ANY THREE QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS. $(3 \times 20 = 60)$

- 8. What is multicollinearity? Explain its detection, consequences and remedial measures.
- 9. State and derive Gauss Markov Theorem
- 10. Define Autocorrelation. Explain its consequences, methods of detection and remedies.
- 11. What is generalized least squares method. How does it differ from OLS. Bring out its significance.
- 12. Discuss the significance of econometric techniques in applied economic research.

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