M.A DEGREE EXAMINATION DECEMBER 2020
BRANCH III – ECONOMICS

COURSE: MAJOR CORE
PAPER: ECONOMETRIC METHODS I
TIME: 90 MINUTES   **MAX. MARKS: 50**

SECTION – A
ANSWER ANY THREE QUESTIONS IN 300 WORDS EACH: **(3x10=30)**
1. Elucidate the methodology of econometrics.
2. What are the uses of standard error?
3. Discuss the significance of the assumptions underlying the classical linear regression model.
4. Derive the OLS estimators of three variable regression model. List the properties.
5. What are specification errors?

SECTION – B
ANSWER ANY ONE QUESTION IN 1200 WORDS EACH: **(1x20=20)**
6. Discuss the consequences of model specification errors in detail.
7. Solve:

Consumption :	23	27	26	21	24	20	29	30
Income :	35	25	29	31	27	24	33	36

   (a) Compute MPC. Test its significance.
   (b) Estimate the summary measure.
   (c) Test the overall significance of the model at levels of significance 1%.
   (d) Construct CI for slope coefficient. Test using CI approach.