

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted during the academic year 2011 – 12 & thereafter)

SUBJECT CODE: 11EC/PE/EM44

M. A. DEGREE EXAMINATION, APRIL 2015
BRANCH III – ECONOMICS
FOURTH SEMESTER

COURSE : ELECTIVE
PAPER : ECONOMETRICS
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

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

1. What is dummy variable trap? Explain.
2. State and explain Gauss-Markov theorem.
3. What is simultaneous equation bias?
4. Derive the parameters of a simple linear regression model.
5. Discuss the logit and probit models.
6. Show the simultaneous equations of a simple macro economic model.
7. How would you detect the presence of heteroscedasticity?

SECTION – B

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

8. Elucidate the nature of multicollinearity and its detection and remedial measures.
9. What are the assumptions of Linear Regression Model?
10. Explain the use of simultaneous equation models using a demand supply model.
11. Obtain the multiple regression equation and check the goodness of fit:

N	1	2	3	4	5	6	7	8	9	10
Y	20	28	40	45	37	52	54	43	65	56
X ₁	2	3	5	4	3	5	7	6	7	8
X ₂	5	6	6	5	5	7	6	6	7	7

12. Explain the consequences of autocorrelation. How is it detected? What are the measures to solve this problem?
