

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2015 – 2016 and thereafter)
SUBJECT CODE: 15EC/AC/EM45
B.A. DEGREE EXAMINATION APRIL 2018
BRANCH IV - ECONOMICS
FOURTH SEMESTER

COURSE : ALLIED - CORE
PAPER : INTRODUCTORY ECONOMETRICS
TIME : 3 HOURS

MAX.MARKS: 100

SECTION A

ANSWER ANY TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:

(10 x 2 = 20)

1. What is econometrics?
2. Define pooled data.
3. What do you mean by population regression function?
4. What is standard error.
5. What is goodness of fit?
6. What is a double log model?
7. Define the term null hypothesis.
8. Define dummy variable.
9. State seasonal adjustment.
10. What is ANCOVA model?
11. Define simultaneous equation model.
12. What do you mean reduced form?

SECTION B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400 WORDS:

(5 x 8 = 40)

13. Describe the classical methodology of econometrics.
14. Write the assumptions of CLRM.
15. Clarify the reasons for inclusion of stochastic disturbances term in the OLS.
16. Distinguish between one tailed and two tailed test.
17. Write a short note about semi log models.
18. Explain the application of semi log models.
19. Clarify the features of dummy variable.
20. Distinguish between endogenous variable and exogenous variable with illustration.

SECTION C

ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1000 WORDS:

(2 x 20 = 40)

21. In the linear regression model $y = \alpha + \beta x + u$ obtain the best linear unbiased estimators of α and β .
22. Analyze the important relationship between R^2 and F test.

23. Hourly wages in relation to marital status and region of residence, from a sample of 528 persons in May 2010, the following regression results were obtained:

$$\hat{Y} = 8.8148 + 1.0997D_{2i} - 1.6729D_{3i}$$

Se=	(0.4015)	(0.4642)	(0.4854)
t =	(21.9528)	(2.3688)	(- 3.4462)
	(0.0000)*	(0.0182)*	(0.0006)*

$R^2 = 0.0322$

Where

Y = hourly wage in Rupees

D_2 = married status; 1 = married, 0 = otherwise

D_3 = region of residence; 1 = South, 0 = otherwise

And * denotes the p values.

Interpret these results.

24. Explain the simultaneous equation bias with the help of simple Keynesian model of income determination.
