M 25080

Reg. No. : .....

Name : .....

II Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.) Examination, March 2014
(2010 Admn. Onwards)
ECONOMICS
Paper – VI : Basic Econometrics

Time : 3 Hours Max. Marks : 80

Instructions : *Part – **A** : Answer **all** questions. **Each** question carries **one** mark.*
*Part – **B** : Answer **any eight** questions. **Each** question carries **3** marks.*
*Part – **C** : Answer **any four** questions. **Each** question carries **5** marks.*
*Part – **D** : Answer **any two** questions. **Each** question carries **13** marks.*

PART – A

1. The method of sampling used for heterogeneous population group is
   a) Systematic sampling b) Stratified sampling
   c) Cluster sampling d) Random sampling
2. The equality between means of two sample data is tested with
   a) t test b) F ratio
   c) Chi square d) ANOVA
3. Econometrics is concerned with the empirical determination of economic laws, stated by
   a) Theil b) Samuelson
   c) Goldberger d) Tintner
4. If the explanatory variable in a regression model is correlated with the stochastic term
   a) The OLS estimators become biased
   b) The OLS estimators become inconsistent
   c) The OLS estimators become biased and inconsistent
   d) The OLS estimators become biased and inefficient

5. The following is not a simple hypothesis
   a) The average house hold expenditure in a town is Rs. 1,000 per month
   b) The average height of college students in Kerala is 70 inches
   c) The propensity to save is more than 0.10 in Tamil Nadu
   d) The rate of saving among Indian's is 20 per cent
6. Glejser test is used to detect
   a) Hetroscedasticity b) Auto correlation
   c) Multicollinearity d) Linearity
7. Durbin Watson test statistic lies between
   a) 0 and 2 b) 0 and 4
   c) – 4 and 4 d) –1 and 4
8. Instrument variable method is used in
   a) Classical linear model b) Auto regressive model
   c) Logistic model d) Multiple regression model
9. The following is a measure of goodness of fit of an estimated regression model
   a) Explained variation b) Total variation
   c) Residential variation d) Explained variation/ Total variation
10. In OLS estimation method, the difference between actual and predicted values of dependent variable would be
    a) Maximum b) Minimum
    c) Zero d) Indeterminate **(1×10=10)**

PART – B

11. What is a hypothesis ?
12. Define level of significance.
13. Distinguish between point estimation and interval estimation.
14. Define normal distribution.
15. What is an efficient estimate ?
16. What is a proxy variable ?
17. Distinguish between explained variation and unexplained variation.

18. What is a qualitative variable ?
19. Define pooled data.
20. What is coefficient of decay ?
21. Explain dummy variable trap. **(3×8=24)**

PART – C

22. Explain the assumptions relating to the behavior of random error term.
23. What are different methods of primary data collection ?
24. Explain two situations where t test is used.
25. Explain causes of multicollinearity.
26. Briefly explain Koyck's contributions to lagged model estimation.
27. Explain the use of dummy variable in regional studies. **(5×4=20)**

PART – D

28. State and prove Gauss Markov theorem.
29. Explain the procedure of testing a null hypothesis.
30. Explain the causes of multicollinearity and suggest remedial measures.
31. For the following data, compute consumption function and interpret the value of marginal propensity to consume.

C	471	457	547	520	678	751	647	547	547
Y	700	700	800	600	900	800	700	700	600

Where C represents consumption, Y income, both measured in rupees. **(13×2=26)**

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