

Reg. No. :

Name :

Fourth Semester M.A. Degree Examination, March 2021

Economics

Optional – II

EC 207 : ADVANCED ECONOMETRICS

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

I. Answer **all** questions, each carries **1** mark.

1. Reasons for lag
2. Structural equations
3. The deterministic trend
4. Two stage least squares
5. Simultaneity bias
6. Recursive model
7. Random walk
8. Unit root test
9. Co-integration
10. Instrumental variables.

(10 × 1 = 10 Marks)

P.T.O.



II. Answer any **seven** questions, not exceeding **500** words, **each** carries **5** marks.

11. Distinguish between distributed lag and auto regressive models.
12. Discuss the Cagan's Adaptive Expectations Model.
13. Define the identification and explain the rules of identification.
14. How is multicollinearity related with identification? Discuss.
15. State the properties of ILS and 2SLS.
16. What is seasonality? How does it measure?
17. Discuss Box-Jenkin's methodology.
18. How do you identify a spurious regression? Explain.
19. What is the Error-Correction mechanism? Discuss.
20. Discuss the dynamic panel data models.

(7 × 5 = 35 Marks)

III. Answer any **three** questions, **each** carries **10** marks.

21. Explain the Granger causality test with its limitations.
22. Discuss the FIML method to remove the problem of simultaneous equation bias.
23. Distinguish between stationary and non-stationary data? Examine its significance in time Series econometrics.
24. What is VAR? Discuss estimation and problems of VAR.
25. How to Assess the appropriateness of fixed effects and random effects estimation? Discuss.

(3 × 10 = 30 Marks)

