# 2016

## M.A/M.Sc.

### 3rd Semester Examination

#### ECONOMICS

**PAPER—ECO-302E**

*Full Marks : 40*

*Time : 2 Hours*

*The figures in the right-hand margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

*Illustrate the answers wherever necessary.*

### *Special Paper* : **Econometrics II**

#### Group—A

1. Answer any *two* of the following :        2×2

   (a) What are the basic characteristics of a AR(I) series ?

        2

   (b) What do you mean by spurious correlation in time series analysis ?

(c) Briefly explain the basic problems that arise in the estimation of Distributed lag models.        2

(d) What are the basic points of difference between L.M. Koyck model and the Adaptive expectation model ?

2

2. Answer any *one* of the following :        1×6

(a) Distinguish between weak exogeneity and strong exogeneity.        6

(b) What is unit root test ? Specify one such test. What are its uses ?        2+1+3

3. Answer any *one* of the following :        1×10

(a) What do you mean by an autoregressive distributed lag (ADL) relation ? What do you mean by reparamaterisation of an ADL relation ? How is the ADL relation used in estimating both long run and short run relation between two time series ?

(b) Discuss in details the Partial Adjustment model of Marc Nerlov.        10

## Group—B

**4.** Answer any *two* of the following :        2×2

(a) What is self selectivity bias in panel data analysis ?

(b) Distinguish between one way and two ways classifications of panel data regression model.

(c) What is the importance of Hausman test in panel data analysis ?

(d) Distinguish between Fixed Effect and Random Effect panel data regression models.

**5.** Answer any *one* of the following :        1×6

(a) Estimate the with-in-group and between-group estimators.

(b) Explain the LM-Test and Restricted F-Test for panel data analysis.

**6.** Answer any *one* of the following :                    1×10

(a) Explain the advantages and disadvantages of panel data.

(b) Estimate the parameters of Fixed Effect Model by LSDV method.

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