C/18/MPhil/1st Sem/ECO-112

2018

M.Phil.

1st Semester Examination

ECONOMICS

PAPER—ECO-112

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.

Group–A

1. Answer any *two* questions : 2×5

(a) Write a note on Augmented Dickey Fuller (ADF) test.

(b) Discuss the different methods of measuring growth rate.

(c) What do you mean by volatility clustering ?

(d) Discuss the method of testing the presence of ARCH.

2. Answer any *one* question : 1×10

(a) Compare between unrestricted and restricted maximum likelihood estimator for a k variable classical linear regression model.

(b) Explain in details the process of determining a valid long run equilibrium relation between two time series.

(Group–B)

3. Answer any *two* questions : 2×5

(a) State and interpret the hypotheses for Restricted F-Test, LM-Test and Hansman Test.

(b) The estimated results of the Panel Data Regression Model in STATA is given as follows :

(i) Are the results sufficient to select FEM ? Why ?

(ii) Interpret R_W^2 and R_B^2.

(iii) Interpret the coefficients which are statistically significant. 2+2+1

(c) Explain the weaknesses of the linear probability model.

(d) Explain the method of Principal component analysis with a suitable example.

4. Answer any *one* question : *1×10*

(a) For the PDRM $Yit = Xit\beta + \alpha i + \varepsilon it$ estimate β by GLS and LSDV methods. Compare two estimated β.

(b) Specify Logit Model. How can you compute marginal effects in Logit model? How can you compare Logit and Probit models?