

2008

**ECONOMICS**

[ Special Paper : *Econometrics -IV* ]

PAPER—XII

*Full Marks* : 40

*Time* : 2 hours

*The figures in the right-hand margin indicate 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 *five* questions from the following : 2 × 5

(a) Define relative mean deviation as a measure of income inequality:

(b) What do you mean by the income-homogeneity property of an inequality measure?

(c) State the Weak-Income transfer axiom.

(Turn Over)

(d) Define 'equally distributed equivalent income'.

(e) Define Lorenz ratio.

(f) State the basic problems that arises in the empirical estimation of the short-run consumption function.

(g) How would you measure labour input in the estimation of production function ?

(h) What are the basic problems in Applied Econometrics statement ?

(i) State with an example the implicit form and explicit form in the estimation of any function in Applied Econometrics.

(j) Define the standard deviation of logarithms as a measure of income inequality.

## GROUP—B

Answer any *two* questions from the following

2. Define Gini-coefficient as a measure of income inequality and calculate its maximum value. 5

3. Discuss the specification problems that arises in the empirical estimation of the cost function. 5
4. Analyse the serial-correlation bias in the estimation of short-run consumption function. 5
5. Explain the identification problem in the empirical estimation of demand function. 5

GROUP—C

Answer any *two* questions from the following

6. What are the primary purposes of Family Budget Studies? What are the various mathematical forms that are used for the same? How would you show the applicability of Engel's law from such studies? 10
7. What are Macro-econometric models? What are their characteristics? Write short note on any one of the macro-econometric models. What trend do you notice in their construction overtime? 10

8. State the various mathematical forms used in the estimation of production function, clearly explaining the advantages and disadvantages of the same. Write a short note on the estimation of production function in case of Indian industries. 10
9. How would you estimate the money demand and money supply function in a Simultaneous Equation framework? 10
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