3-6-013

DOON UNIVERSITY, DEHRADUN
Semester Final Examination, Second Semester 2013
School of Social Sciences

M.A. (Economics)
Course: SSE -532:Econometrics

Time Allowed: 2 Hours **Total Marks 30**

SECTION-A ***(3 marks X 5 =15)***

Q-1: Explain the following concepts in words and notations

(a) Heterosc(k)edasticity as a violation of OLS assumptions
(b) Endogeneity
(c) Serial Correlation
(d) Additive and Multiplicative Dummy
(e) Table value of 't'

SECTION-B ***(5 marks X 3 = 15)***

Answer any three questions

Q-1: What do you mean by the problem of multicolinearity? What are the causes and consequences of the problem in an OLS system?

Q-2: What do you mean by the issue of heterosc(k)edasticity? How do you test heteroskedasticity in an OLS estimation process? What remedial measures you may take for a dataset affected with heteroskedasticity?

Q-3: Briefly examine the basic assumptions of Classical Linear Regression Model?

Q-4: What are the causes and consequences of auto-correlation in an OLS Estimation process? How do you detect autocorrelation and what steps you may take to overcome autocorrelation in estimating a model?

Q-5: In a typical simple regression model y=a+b x +u (where, y is the dependent and x is the independent variable), find the value of regression coefficients through OLS. Clearly mention the assumptions you make.