LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – **ECONOMICS**

THIRD SEMESTER – **APRIL 2016**

EC 3813 - MODERN ECONOMETRICS

Date: 05-05-2016 Dept. No. Max. : 100 Marks
Time: 09:00-12:00

PART A

Answer any FIVE of the following questions:- **[5x4=20 marks]**

1. What is meant by structural or parameter stability?
2. What are the assumptions of Chow test?
3. Define a Linear Probability Model.
4. What is meant by Panel data?
5. Distinguish between 'balanced panel' and 'unbalanced panel'.
6. What is a stochastic process?
7. Distinguish between DF test and ADF test.

PART B

Answer any FOUR of the following questions:- **[4X10=40 marks]**

8. Outline the procedure for testing the equality of the two regression coefficients.
9. Explain the mechanics of Chow test.
10. Discuss MWD test in choosing between Linear and Log linear regression models.
11. Outline the CUSUM test.
12. Explain the Logit model as an alternative to LPM.
13. Briefly outline the Random Effects approach.
14. Explain the properties of Integrated series.

PART C

Answer any TWO of the following questions:- **[2X20=40 marks]**

15. Explain the possibilities in Fixed Effects approach to the estimation of panel data models.
16. Discuss the basic concepts of Time series econometrics.
17. Explain the tests of Stationarity.
18. Elucidate the Arch and GARCH models in measuring volatility in financial time series.

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