 LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**M.A.** DEGREE EXAMINATION - **ECONOMICS**

THIRD SEMESTER – **NOVEMBER 2012**

# EC 3811/3875 - APPLIED ECONOMETRICS

Date : 08/11/2012 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

**PART – A**

**Answer any Five questions: (5 x 4 = 20)**

1. What is meant by model stability?
2. State the methods of estimating Probit and Gprobit models.
3. What is meant by Random Walk Phenomenon?
4. Distinguish between AR process and MA process.
5. State the uses of panel data sets.
6. What is an LPM?
7. Distinguish between ‘ordered’ and ‘un ordered’ outcomes in qualitative response models.

**PART – B**

**Answer any Four questions: (4 x 10 = 40)**

1. Explain the procedure for testing the equality of two regression coefficients in a model.
2. Outline the MWD test to choose between a linear and a log linear model.
3. Explain the procedure of Logit method in estimating an LPM.
4. Discuss the Random Effects Approach to estimation of a model using panel data
5. Outline the B.J methodology of forecasting, using time series data.
6. Discuss the Granger causality test with its assumptions and limitations.
7. Distinguish between ARCH and GARCH effects.

**PART – C**

**Answer any two questions: (2 x 20 = 40)**

1. Outline the tests of stationarity in time series data.
2. Discuss AR, MA, ARMA, ARIMA and VAR Methods of forecasting.
3. Compare and contrast FEM and REM as panel data models estimation procedures.
4. Elucidate Probit, Multinomial Logit and Duration models in estimating qualitative response regression models.

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