

(i) Printed Pages : 4]

Roll No. ....

(ii) Questions : 9]

Sub. Code : 

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Exam. Code : 

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**B.A./B.Sc. (Hons) 5th Semester  
Examination**

**1127**

**ECONOMICS**

**(Introduction to Economics)**

**Paper : III**

**Time : 3 Hours]**

**[Max. Marks : 90**

**Note** :- Attempt *five* questions in all, including question No.

1 which is compulsory and selecting *one* question  
from each Unit.

1. Attempt any *nine*. All questions carry equal marks :

(i) Define Econometrics.

(ii) How is Econometrics different from mathematical  
Economics ?

- (iii) What do you understand by OLS ?
- (iv) What is a hypothesis ?
- (v) What is power of test ?
- (vi) Explain the difference between perfect and imperfect multicollinearity.
- (vii) What is the significance of Goldfeld and Quandt test ?
- (viii) What is two-tailed test ?
- (ix) Explain dummy variable trap.
- (x) Give reasons for lags in Economic variables.
- (xi) Distinguish between short run lag multiplier and intermediate lag multiplier.
- (xii) What is Auto Regressive Model ? 2×9=18

### Unit-I

2. Write a detailed note on the methodology of Econometrics. 18
3. Describe the properties of a good estimators in finite and infinite samples. 18

### Unit-II

4. (a) Bring out the difference between type I and type II errors.
- (b) How are simple and composite hypothesis different ?
- (c) Give the F test for the overall significance of a regression model. 5+5+8
5. Estimate the regression coefficients of the following model using Maximum likelihood estimation :

$$Y = \alpha + \beta X + U \quad 18$$

### Unit-III

6. Bring out the BLUE properties of the OLS estimators for a K variable model :

$$Y_{n \times 1} = X_{n \times k} \beta_{k \times 1} + U_{n \times 1} \quad 18$$

7. What is heteroscedasticity ? How can it be detected ?

Suggest methods to remedy this problem in data. 2+8+8

### Unit-IV

8. Write a note on the uses of dummy variables. 18

9. Discuss the *two* rationalisations of the Koyck Approach. 18