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- Notes : 1. Attempt all the questions.
2. All questions carry equal marks.

1. “Econometrics provides useful tool for analysing economic problems”, discuss with example.

OR

Discuss simple and general linear regression model. What are its assumptions?

2. What is Multi-collinearity? What are its consequences? Describe a test for multicollinearity.

OR

What is Autocorrelation? Discuss the Durbin – Watson test for detecting autocorrelation.

3. Attempt the following questions **any two**.

- a) What is logit model.
- b) Discuss the application of dummy variable.
- c) What is interactions effect?
- d) Explain dummy variable trap using an example.

4. Attempt the following questions **any two**.

- a) What is partial adjustment model?
- b) Discuss causality test?
- c) What is error correction model?
- d) Discuss lag technique with an example.

5. Answer the following all questions compulsory.

- a) What is coefficient of determination?
- b) Explain the nature of heteroskedasticity.
- c) What is logit model?
- d) Explain autoregressive process.
