Subject: DE532-Econometrics II   FM:60
Level/program: Master (M.A)   Semester: III   Time: 3 Hours   PM:30

Candidates are required to answer the questions in their own words as far as practicable.

Attempt ALL of the following Very Short Answer Questions.   **10x1=10**

1. What is simultaneous equation bias?

2. List the conditions of identify the problem.

3. Define dependent and independent variable.

4. Define latent regression model.

5. Define identification of problem.

6. What do you mean by multivariate probit models?

7. Explain vector auto-regression (VAR).

8. Define discrete choice model.

9. What do you mean by panel data?

10. Define dynamic analysis.

Attempt any THREE of the Following Short Questions.   **3x8=24**

11. Estimate the parameters of following two explanatory variables case by IV method.

$$Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + u$$

12. Explain FIML with steps.

13. Define 2SLS model with steps and assumptions.

14. Explain Logit model for multiple choice in econometrics.

Attempt any TWO of the Following Long Questions.   **2x13 =26**

15. Examine the exact/over/under identification of the following equations.

$$y_1 = 2y_2 - 2x_1 + x_2 + u_1$$

$$y_2 = y_3 + x_3 + u_2$$

$$y_3 = y_1 - y_2 - 2x_3 + u_3$$

16. Explain the random walk model. Explain random walk model with drift and without drift.

17. Using the OLS methods in simultaneous equation, how can you control the bias and inconsistency?

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