

Mid-West University  
Examinations Management Office  
Birendranagar, Surkhet  
End Semester - Examination, 2081

**Subject: DE 471 – Applied Econometrics**

**FM: 60**

**Level/program: Bachelor (B.A)**

**Semester: VII**

**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. Define applied econometrics.
2. Define parameter.
3. Define IV method.
4. What is literature review?
5. Explain hypothesis testing.
6. Define misspecification.
7. Define descriptive statistical analysis.
8. Explain the dependent variable.
9. Write the full form of STATA.
10. What is exogenous variable?

**Attempt any THREE of the Following Short Questions.**

**3x8 =24**

11. Explain the different types of misspecifications.
12. Define model selection. What are the different bases of model selection?
13. Differentiate between method of moment and OLS.
14. Explain E-Views and list the features.

**Attempt any TWO of the Following Long Questions.**

**2x13 =26**

15. Estimate the uses of IV in the following equation

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

16. Explain the different stages in empirical econometric research.
17. Explain the different types of non-linear functional form.

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