



K26P 1115

Reg. No. :

Name :

Second Semester M.A. Degree (C.B.C.S.S. – O.B.E. – Reg./Supple./Imp.)
Examination, April 2026
(2023 Admission Onwards)

ECONOMICS/DEVELOPMENT ECONOMICS/APPLIED ECONOMICS
MAECO02C09/MAACO02C09/MADCO02C09 : Basic Econometrics

Time : 3 Hours

Max. Marks : 60

SECTION – I

Short answer questions (any 5) : (5×3=15)

1. What happens to OLS estimators when autocorrelation is present ?
2. List any three assumptions of the classical linear regression model in multiple regression.
3. What is the Variance Inflation Factor (VIF) ?
4. What is a dummy variable in regression analysis ?
5. What is a binary choice model ?
6. What is an instrumental variable ?

SECTION – II

Short essay questions (any 3) : (3×6=18)

7. Describe the procedure for calculating the Durbin-Watson statistic.
8. Explain the causes and consequences of multicollinearity.
9. Explain the concept and application of piecewise linear regression.
10. Discuss the order condition of identification with an example.
11. Explain the rationale behind Three-Stage Least Squares (3SLS).

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SECTION – III

Essay questions (any 3) : (3×9=27)

12. Explain regression through the origin. Discuss its assumptions, interpretation of coefficients, advantages and limitations.
13. Present the multiple linear regression model in matrix notation. Derive the OLS estimator using matrix algebra and explain its interpretation.
14. Compare and contrast Logit and Probit models. Discuss their assumptions, estimation, interpretation and applications.
15. Discuss the Seemingly Unrelated Regression (SUR) model. Explain how it improves efficiency and how Feasible Generalised Least Squares (FGLS) is used for estimation.
16. Define heteroscedasticity and explain its causes, consequences, detection methods and remedial measures in detail.