

National Testing Agency

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Econometric Methods

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Econometric Methods

Section Id :	89951466
Section Number :	1
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Number of Questions :	100
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Section Marks : 100
Mark As Answered Required? : Yes
Sub-Section Number : 1
Sub-Section Id : 89951488
Question Shuffling Allowed : Yes

Question Number : 1 Question Id : 8995145639 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Econometrics combines _____

1. Micro Economics, Macro Economics and Statistics
2. Economics, Computer Science and Statistics
3. Mathematics, Economics and Statistics
4. Statistical Computing, Economics and Mathematical Economics

Options :

89951422435. 1
89951422436. 2
89951422437. 3
89951422438. 4

Question Number : 2 Question Id : 8995145640 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

According to _____, econometrics is concerned with the empirical determination of economic laws.

1. Ragnar Frisch
2. Thiel H.
3. Tintner G.
4. Samuelson P. A.

Options :

89951422439. 1
89951422440. 2
89951422441. 3
89951422442. 4

Question Number : 3 Question Id : 8995145641 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Mathematical economics expresses economic theory in _____

1. Economic form
2. Mathematical form
3. Statistical form
4. Econometric form

Options :

89951422443. 1
89951422444. 2
89951422445. 3
89951422446. 4

Question Number : 4 Question Id : 8995145642 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Economic theory and Mathematical Economics analyze the economic relationships in _____ form

1. Stochastic
2. Theoretical
3. Non-Stochastic or exact
4. Geometric

Options :

89951422447. 1
89951422448. 2
89951422449. 3
89951422450. 4

Question Number : 5 Question Id : 8995145643 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

The goals of Econometrics is _____

1. Testing of economic theory
2. Forecasting / Prediction
3. Policy Analysis
4. All the above options

Options :

89951422451. 1

89951422452. 2

89951422453. 3

89951422454. 4

Question Number : 6 Question Id : 8995145644 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Estimating the coefficients of econometric models and testing the significance of them helps to make decision about

1. the quality of data set
2. the validity of Economic Theory
3. the Specification of Mathematical Economic Model
4. the validity of OLS Assumptions

Options :

89951422455. 1

89951422456. 2

89951422457. 3

89951422458. 4

Question Number : 7 Question Id : 8995145645 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Coronavirus positive cases of major states in India for the past one month is an example for

1. Time Series Data
2. Cross Sectional Data
3. Panel Data
4. None of the above

Options :

89951422459. 1

89951422460. 2

89951422461. 3

89951422462. 4

Question Number : 8 Question Id : 8995145646 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

_____ is concerned with the development of appropriate methods for estimating econometric models

1. Applied econometrics
2. Theoretical econometrics
3. Classical econometrics
4. Bayesian econometrics

Options :

89951422463. 1
89951422464. 2
89951422465. 3
89951422466. 4

Question Number : 9 Question Id : 8995145647 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Econometric forecasts require

1. Accurate estimates of the coefficients of the regression model
2. Forecasts of future values of independent variables.
3. Appropriate economic models.
4. All of the above options

Options :

89951422467. 1
89951422468. 2
89951422469. 3
89951422470. 4

Question Number : 10 Question Id : 8995145648 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

An Econometric model consists of _____

1. Behavioral equations that involves observed variables and disturbance(stochastic error) variable
2. Specification of probability distribution of disturbance (stochastic error) variable
3. Both 1 and 2 options
4. Either 1 or 2 options

Options :

89951422471. 1

89951422472. 2

89951422473. 3

89951422474. 4

Question Number : 11 Question Id : 8995145649 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Specification of econometric model includes

1. Identification of variables in the economic theory
2. Specifying behavioral equation with appropriate functional form
3. Inclusion of error variable in the model.
4. All of the above options

Options :

89951422475. 1

89951422476. 2

89951422477. 3

89951422478. 4

Question Number : 12 Question Id : 8995145650 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Econometric models are usually _____

1. purely Atheoretic Models
2. purely Statistical Models
3. theoretical Models that presupposes economic models
4. purely Mathematical Models

Options :

89951422479. 1

89951422480. 2

89951422481. 3

89951422482. 4

Question Number : 13 Question Id : 8995145651 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

A function that maps all possible values of a random variable to its corresponding probabilities is called

1. Algebraic function
2. Probability density function
3. Cumulative distribution function
4. Probability distribution

Options :

89951422483. 1
89951422484. 2
89951422485. 3
89951422486. 4

Question Number : 14 Question Id : 8995145652 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

A random variable that can assume any finite number of integer values between two given numbers is called

1. Continuous random variable
2. Discrete random variable
3. Irregular random variable
4. Uncertain random variable

Options :

89951422487. 1
89951422488. 2
89951422489. 3
89951422490. 4

Question Number : 15 Question Id : 8995145653 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which one of the following is NOT a continuous random variable _____

1. Height of students in class
2. Weight of students in class
3. Number of laborers used in a firm
4. GDP of a country

Options :

89951422491. 1

89951422492. 2

89951422493. 3

89951422494. 4

Question Number : 16 Question Id : 8995145654 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which one of the following is true about the expected value of a discrete random variable 'X' ?

1. $0 < E(X) < 1$
2. $E(X) = 1$
3. $-\infty < E(X) < +\infty$
4. $E(X) = 0$

Options :

89951422495. 1

89951422496. 2

89951422497. 3

89951422498. 4

Question Number : 17 Question Id : 8995145655 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

If k is a constant (non-random variable), then the expected value $E(k)$ is

1. $1/k$
2. k
3. 0
4. 1

Options :

89951422499. 1

89951422500. 2

89951422501. 3

89951422502. 4

Question Number : 18 Question Id : 8995145656 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

If E denotes the expectations, the variance of a random variable X is denoted as

1. $[E(X)]^2$
2. $E[X - (E(X))]^2$
3. $E(X^2) - E(X)$
4. $2 E(X)$

Options :

89951422503. 1
89951422504. 2
89951422505. 3
89951422506. 4

Question Number : 19 Question Id : 8995145657 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

_____ random variable assume finite number of integer values

1. Continuous random variable
2. Discrete random variable
3. Irregular random variable
4. Uncertain random variable

Options :

89951422507. 1
89951422508. 2
89951422509. 3
89951422510. 4

Question Number : 20 Question Id : 8995145658 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The branch of statistics that helps to draw statistical conclusions about the populations based on sample data is _____.

1. Descriptive statistics
2. Inferential statistics
3. Sample statistics
4. Population statistics

Options :

89951422511. 1
89951422512. 2

89951422513. 3

89951422514. 4

Question Number : 21 Question Id : 8995145659 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Standard Error(SE) is _____ of a _____ distribution

1. the Standard Deviation, Population
2. the Standard Deviation, Sampling
3. any Statistic, Sampling
4. any measure, Poulation

Options :

89951422515. 1

89951422516. 2

89951422517. 3

89951422518. 4

Question Number : 22 Question Id : 8995145660 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The probability of rejecting the null hypothesis which is true is known as

1. Level of significance(α)
2. Critical Value
3. Power of the test(β)
4. p value / sig value

Options :

89951422519. 1

89951422520. 2

89951422521. 3

89951422522. 4

Question Number : 23 Question Id : 8995145661 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The process of testing of hypothesis is interested in testing the validity of _____

1. the alternative hypothesis (H_1)
2. the null hypothesis (H_0)
3. both the alternative and null hypothesis
4. neither the alternative or null hypothesis

Options :

89951422523. 1

89951422524. 2

89951422525. 3

89951422526. 4

Question Number : 24 Question Id : 8995145662 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Gaussian Distribution is also known as _____

1. Cauchy's Distribution
2. Laplacian Distribution
3. Normal Distribution
4. Lagrangian Distribution

Options :

89951422527. 1

89951422528. 2

89951422529. 3

89951422530. 4

Question Number : 25 Question Id : 8995145663 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

To test the equality of variances of two populations _____ distribution is used

1. F-distribution
2. Normal distribution
3. Uniform distribution
4. t – distribution

Options :

89951422531. 1

89951422532. 2

89951422533. 3

89951422534. 4

Question Number : 26 Question Id : 8995145664 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The total area under a normal distribution curve is

1. 10

2. 0

3. 1/2

4. 1

Options :

89951422535. 1

89951422536. 2

89951422537. 3

89951422538. 4

Question Number : 27 Question Id : 8995145665 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The estimation of $Y = \alpha + \beta X + U$ will help to

1. Examine whether Y have a significant effect on Xs.

2. Forecast the values of Xs for a given Y

3. Analyze the effect of Xs on Y

4. Predict the impact of Y on Xs

Options :

89951422539. 1

89951422540. 2

89951422541. 3

89951422542. 4

Question Number : 28 Question Id : 8995145666 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In the regression specification $Y = \alpha + \beta X + U$, U is justified on the basis of _____

1. omitted explanatory variables
2. measurement errors in X
3. random human behavior
4. all of the above options

Options :

89951422543. 1
89951422544. 2
89951422545. 3
89951422546. 4

Question Number : 29 Question Id : 8995145667 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following is true about regression analysis?

1. Regression analysis is purely an exploratory tool.
2. Regression analysis is meaningful only for the experimental data and cannot be applied in the context of survey data.
3. Regression analysis is adoptable to diachronic and synchronic researches.
4. Qualitative variables cannot be used in regression analysis.

Options :

89951422547. 1
89951422548. 2
89951422549. 3
89951422550. 4

Question Number : 30 Question Id : 8995145668 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following is a kind of regression analysis

1. Factor Analysis
2. Logit Model Analysis
3. Conjoint Analysis
4. Cluster Analysis

Options :

89951422551. 1

89951422552. 2

89951422553. 3

89951422554. 4

Question Number : 31 Question Id : 8995145669 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following is a Multiple Regression Model

1. $Y = \alpha + \beta X$
2. $Y = \alpha + \beta X_2$
3. $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2$
4. $Y = \alpha + (1/\beta) X$

Options :

89951422555. 1

89951422556. 2

89951422557. 3

89951422558. 4

Question Number : 32 Question Id : 8995145670 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

_____ first proposed Ordinary Least Squares (OLS) method of estimation

1. Ragnar Frisch
2. Samuelson, Koopmans and Stone
3. Henry Theil
4. Carl Fredrich Gauss

Options :

89951422559. 1

89951422560. 2

89951422561. 3

89951422562. 4

Question Number : 33 Question Id : 8995145671 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

MLE method intends to _____ measure of the sample observations with respect to the population parameters to obtain estimators.

1. minimize the error
2. maximize the likelihood
3. minimize the likelihood
4. maximize the error

Options :

89951422563. 1
89951422564. 2
89951422565. 3
89951422566. 4

Question Number : 34 Question Id : 8995145672 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Method of moments usually assume

1. $E(U) = 0$ & $E(U^2) = \sigma^2$, a constant
2. $Cov(X, U) = 0$ & $E(U^2) = \sigma^2$, a constant
3. $E(U) = 0$ & $Cov(X, U) = 0$
4. $E(U) = 0$ & $Cov(Y, U) = 0$

Options :

89951422567. 1
89951422568. 2
89951422569. 3
89951422570. 4

Question Number : 35 Question Id : 8995145673 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Maximum likelihood estimates are biased for _____

1. Small samples
2. Large samples
3. Population
4. Time series data

Options :

89951422571. 1
89951422572. 2

89951422573. 3

89951422574. 4

Question Number : 36 Question Id : 8995145674 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

- _____ theorem shows that OLS estimators are BLUE
1. Trygve Haavelmo
 2. Frisch Waugh Lovell
 3. Gauss Markov
 4. Fredrick Gauss

Options :

89951422575. 1

89951422576. 2

89951422577. 3

89951422578. 4

Question Number : 37 Question Id : 8995145675 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

- OLS estimators of α and β are _____ functions of actual observations on _____.
1. Non-linear, Y_i
 2. Linear, Y_i
 3. Non-linear, X_i
 4. Linear, X_i

Options :

89951422579. 1

89951422580. 2

89951422581. 3

89951422582. 4

Question Number : 38 Question Id : 8995145676 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Test statistic for the significance of $\hat{\beta}$ with Standard Error $SE(\hat{\beta})$ is

1. $\hat{\beta} / SE(\hat{\beta})$
2. $\beta / SE(\beta)$
3. $\hat{\beta} / SE(\beta)$
4. $\beta / SE(\hat{\beta})$

Options :

89951422583. 1
89951422584. 2
89951422585. 3
89951422586. 4

Question Number : 39 Question Id : 8995145677 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

_____ is the square root of _____ (with usual notations)

1. $SE(\hat{\beta}), E(\hat{\beta})$
2. $Var(\hat{\beta}), SE(\hat{\beta})$
3. $SE(\hat{\beta}), Var(\hat{\beta})$
4. $Var(\hat{\beta}), E(\hat{\beta})$

Options :

89951422587. 1
89951422588. 2
89951422589. 3
89951422590. 4

Question Number : 40 Question Id : 8995145678 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The degrees of freedom for the t – statistic, in an SLRM, with n as sample size is

1. n-2
2. 2
3. 1
4. n-1

Options :

- 89951422591. 1
- 89951422592. 2
- 89951422593. 3
- 89951422594. 4

Question Number : 41 Question Id : 8995145679 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

If the calculated value of F is 7, then we may infer that the statistic is _____ statistically significant

- 1. Always
- 2. Sometimes
- 3. Never
- 4. Cannot Say anything about the statistical significance

Options :

- 89951422595. 1
- 89951422596. 2
- 89951422597. 3
- 89951422598. 4

Question Number : 42 Question Id : 8995145680 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In an SLRM, the null hypothesis(H_0) for an ANOVA analysis states that _____.

- 1. the proposed model is not significantly different from the trivial or intercept only model
- 2. at least one of the regression coefficient is different from zero
- 3. all the regression coefficients are not equal
- 4. at least one of the regression coefficient is not equal

Options :

- 89951422599. 1
- 89951422600. 2
- 89951422601. 3
- 89951422602. 4

Question Number : 43 Question Id : 8995145681 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

In an ANOVA, which of the following is most likely to produce a large value for the F-ratio?

1. High Explained Sum of Squares(ESS) in relation to Residual Sum of Squares(RSS)
2. High Residual Sum of Squares(RSS) in relation to Explained Sum of Squares(ESS)
3. High Total Sum of Squares(TSS)
4. High Mean Residual Sum of Squares(MESS)

Options :

89951422603. 1
89951422604. 2
89951422605. 3
89951422606. 4

Question Number : 44 Question Id : 8995145682 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

R^2 assumes value between

1. 0 and 1
2. 0 and $+\infty$
3. -1 and +1
4. $-\infty$ and $+\infty$

Options :

89951422607. 1
89951422608. 2
89951422609. 3
89951422610. 4

Question Number : 45 Question Id : 8995145683 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

_____ is used as the goodness of fit measure in regression models.

1. R^2 ratio
2. F ratio
3. t- ratio
4. Durbin Watson ratio

Options :

89951422611. 1

89951422612. 2

89951422613. 3

89951422614. 4

Question Number : 46 Question Id : 8995145684 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

From a data set the following values are computed, $\Sigma X = 100$, $\Sigma Y = 120$ and $n = 10$. What is the value of mean of the variable X

1. 10
2. 12
3. 14
4. 22

Options :

89951422615. 1

89951422616. 2

89951422617. 3

89951422618. 4

Question Number : 47 Question Id : 8995145685 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

From a data set the following values are computed, $\bar{X} = 10$, $\bar{Y} = 12$, $\Sigma xy = 150$, $\Sigma x^2 = 300$ and $n = 10$. What is the estimated value β (slope)

1. 0.12
2. 0.5
3. 2
4. 0.86

Options :

89951422619. 1

89951422620. 2

89951422621. 3

89951422622. 4

Question Number : 48 Question Id : 8995145686 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

From a data set the following values are computed, $\bar{X} = 10$, $\bar{Y} = 24$, estimated $\beta = 2$ and $n = 40$.

What is the estimated value of α (intercept)

1. 2
2. 6
3. 4
4. 12

Options :

89951422623. 1

89951422624. 2

89951422625. 3

89951422626. 4

Question Number : 49 Question Id : 8995145687 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

In a regression model, estimated β is 0.6 and t-value for the same is 1.8. Find the Standard Error for the estimated β

1. 3
2. 0.3
3. 0.03
4. 2.4

Options :

89951422627. 1

89951422628. 2

89951422629. 3

89951422630. 4

Question Number : 50 Question Id : 8995145688 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

The residual sum of squares $\sum e^2 = 24.12$ and the sample size is 12. Then what is the value of variance of the error term $\hat{\sigma}^2$

1. 2.1
2. 2.412
3. 42.22
4. 50.76

Options :

89951422631. 1
89951422632. 2
89951422633. 3
89951422634. 4

Question Number : 51 Question Id : 8995145689 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The explained sum of squares $\Sigma y^2 = 36$, $\Sigma x^2 = 6$, the estimated $\beta = 2$ and the sample size is 12.
Then what is the value of the residual sum of squares Σe^2 ?

1. 10
2. 12
3. 16
4. 15

Options :

89951422635. 1
89951422636. 2
89951422637. 3
89951422638. 4

Question Number : 52 Question Id : 8995145690 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The lower bound of the confidence interval for α when $\hat{\alpha} = 35$; $S.E.(\hat{\alpha}) = 10$ and $t_{0.025} = 2$ is

1. 50
2. 13
3. 20
4. 15

Options :

89951422639. 1
89951422640. 2
89951422641. 3
89951422642. 4

Question Number : 53 Question Id : 8995145691 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

If the calculated value of t statistic for β is less than the table value of t-statistic, then the null hypothesis is

1. rejected
2. accepted
3. indefinite
4. definite

Options :

89951422643. 1
89951422644. 2
89951422645. 3
89951422646. 4

Question Number : 54 Question Id : 8995145692 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

If $\alpha = 5.6$ and $\beta = -2.3$ then the estimated equation is

1. $\hat{Y} = 5.6 - 2.3X$
2. $\hat{Y} = 5.6 + 2.3X$
3. $\hat{Y} = 2.3 - 5.6X$
4. $\hat{Y} = -2.3 + 5.6X$

Options :

89951422647. 1
89951422648. 2
89951422649. 3
89951422650. 4

Question Number : 55 Question Id : 8995145693 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

In a MLR model $C = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + U$ if $\bar{C} = 5.8$; $\bar{X}_1 = 2.9$; $\bar{X}_2 = 3.9$; $\hat{\beta}_1 = 0.85$ and

$\hat{\beta}_2 = 0.09$ then $\hat{\beta}_0 =$

1. 2.49
2. 2.87
3. 2.93
4. 0.38

Options :

89951422651. 1
89951422652. 2
89951422653. 3
89951422654. 4

Question Number : 56 Question Id : 8995145694 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

What will you conclude about a regression model if the calculated Breusch-Pagan test statistic is smaller than the Table value / critical value?

- 1 This implies evidence of autocorrelation
- 2 This implies evidence of heteroskedasticity.
- 3 This implies evidence of no heteroskedasticity.
- 4 This implies evidence of no autocorrelation.

Options :

89951422655. 1
89951422656. 2
89951422657. 3
89951422658. 4

Question Number : 57 Question Id : 8995145695 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

We may infer No Autocorrelation when the Durbin Watson(DW) is near _____

- 1 zero
- 2 one
- 3 two
- 4 four

Options :

89951422659. 1
89951422660. 2
89951422661. 3
89951422662. 4

Question Number : 58 Question Id : 8995145696 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In the presence of autocorrelation, the estimates are

1. Biased but efficient
2. Unbiased and efficient
3. Biased and inefficient
4. Unbiased but inefficient

Options :

89951422663. 1
89951422664. 2
89951422665. 3
89951422666. 4

Question Number : 59 Question Id : 8995145697 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

_____ is not the source of autocorrelation problem.

1. Mis-specification of the econometric model
2. Cobb-Web phenomenon
3. Reduction of Measurement Error due to learning by doing
4. Data Smoothing

Options :

89951422667. 1
89951422668. 2
89951422669. 3
89951422670. 4

Question Number : 60 Question Id : 8995145698 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

χ^2 test for autocorrelation is a _____ test, which assess _____ in the occurrence of signs in residuals.

1. non-parametric, randomness
2. parametric, pattern
3. non-parametric, pattern
4. parametric, randomness.

Options :

89951422671. 1
89951422672. 2
89951422673. 3
89951422674. 4

Question Number : 61 Question Id : 8995145699 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

What is the meaning of the term "heteroscedasticity"?

1. The variance of the errors is not constant
2. The variance of the dependent variable is not constant
3. The errors are not linearly independent of one another
4. The errors have non-zero mean

Options :

89951422675. 1
89951422676. 2
89951422677. 3
89951422678. 4

Question Number : 62 Question Id : 8995145700 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

OLS estimators as a result of heteroscedasticity disturbance are no longer

1. Consistent estimator
2. Biased estimator
3. Efficient estimator
4. Best linear unbiased estimator

Options :

89951422679. 1

89951422680. 2

89951422681. 3

89951422682. 4

Question Number : 63 Question Id : 8995145701 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In Breusch-Pagan test, square of variances is some function of

1. Stochastic variable
2. Non-stochastic variable
3. Exploratory variable
4. Independent variables

Options :

89951422683. 1

89951422684. 2

89951422685. 3

89951422686. 4

Question Number : 64 Question Id : 8995145702 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following are plausible approaches to dealing with a model that exhibits heteroscedasticity?

- i) Take logarithms of each of the variables
- ii) Use suitably modified standard errors
- iii) Use a generalised least squares procedure
- iv) Add lagged values of the variables to the regression equation.

1 (ii) and (iv) only

2 (i) and (iii) only

3 (i), (ii), and (iii) only

4 (i), (ii), (iii), and (iv)

Options :

89951422687. 1

89951422688. 2

89951422689. 3

89951422690. 4

Question Number : 65 Question Id : 8995145703 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In Glajser's Test, the dependent variable in the auxiliary regression is

1. e_i^2
2. $\log(e_i^2)$
3. $|e_i|$
4. e_i

Options :

89951422691. 1
89951422692. 2
89951422693. 3
89951422694. 4

Question Number : 66 Question Id : 8995145704 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following reflect the assumption of multicollinearity?

1. Presence of outliers in the data set
2. Non-Normally distributed data
3. Constance of variance in the residuals
4. High correlation between independent variables

Options :

89951422695. 1
89951422696. 2
89951422697. 3
89951422698. 4

Question Number : 67 Question Id : 8995145705 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following statements regarding multicollinearity is not true?

1. It exists in virtually all multiple regression models.
2. It is also called collinearity and intercorrelation.
3. It is a condition that exists when the independent variables are highly correlated with the dependent variable.
4. It occurs with the problem of micronumerosity

Options :

89951422699. 1
89951422700. 2
89951422701. 3
89951422702. 4

Question Number : 68 Question Id : 8995145706 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

In multiple regression analysis, estimation is not possible in case of

1. High standard error
2. Perfect Multicollinearity
3. Low standard error
4. High Coefficient of determination

Options :

89951422703. 1
89951422704. 2
89951422705. 3
89951422706. 4

Question Number : 69 Question Id : 8995145707 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Due to multicollinearity, multiple coefficient of determination R^2 will become

1. 0
2. Very low
3. Very high
4. Undetermined

Options :

89951422707. 1
89951422708. 2
89951422709. 3
89951422710. 4

Question Number : 70 Question Id : 8995145708 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

As a rule of thumb, if value of Variance Inflation Factor (VIF) exceeds 10 then there is

1. Autocorrelation
2. Homogeneity
3. Multicollinearity
4. Unbiased factoring

Options :

89951422711. 1
89951422712. 2
89951422713. 3
89951422714. 4

Question Number : 71 Question Id : 8995145709 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Dropping variable which is creating multicollinearity, is a mean to

1. Identify multicollinearity
2. Diagnose multicollinearity
3. Estimate multicollinearity
4. Remove multicollinearity

Options :

89951422715. 1
89951422716. 2
89951422717. 3
89951422718. 4

Question Number : 72 Question Id : 8995145710 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In a time series model, consisting of multi period variables i.e., current period and lag/lead period variables, is also known as _____

1. Dynamic model
2. Instantaneous model
3. Distributed lag model
4. Auto regressive model

Options :

89951422719. 1
89951422720. 2

89951422721. 3

89951422722. 4

Question Number : 73 Question Id : 8995145711 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Lagged variables in time series models are included on the basis of _____.

1. Psychological reasons only
2. Technological reasons only
3. Institutional reasons only
4. All the above Reasons

Options :

89951422723. 1

89951422724. 2

89951422725. 3

89951422726. 4

Question Number : 74 Question Id : 8995145712 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In $\hat{Y}_t = \alpha + 0.2 X_t + 0.7X_{t-1} + 0.1 X_{t-2} - 0.3 X_{t-3} + 0.8 X_{t-4}$, the long run or total distributed lag multiplier is _____

1. 0.26
2. 0.07
3. 1.5
4. 0.33

Options :

89951422727. 1

89951422728. 2

89951422729. 3

89951422730. 4

Question Number : 75 Question Id : 8995145713 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Lag length in Adhoc method / approach is determined / based on

1. the statistical insignificance of co-efficients of additional lag variables
2. the co-efficient of at least one of the variable changes sign from positive to negative and negative to positive
3. the previous two reasons
4. None of the options are true

Options :

89951422731. 1
89951422732. 2
89951422733. 3
89951422734. 4

Question Number : 76 Question Id : 8995145714 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Let λ be the rate of decline in a Koyck's model. Then $\frac{-\log 2}{\log \lambda}$ is _____

1. Mean lag
2. Median lag
3. Speed of Adjustment
4. Long run multiplier

Options :

89951422735. 1
89951422736. 2
89951422737. 3
89951422738. 4

Question Number : 77 Question Id : 8995145715 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In the estimation of infinite distributed lag model, Koyck's approach does not address the issue of

1. Multicollinearity
2. reduced degrees of freedom
3. estimating quadratic pattern of effect size
4. computing infinite number of coefficients of original DL model with only 3 estimates

Options :

89951422739. 1
89951422740. 2
89951422741. 3
89951422742. 4

Question Number : 78 Question Id : 8995145716 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Almon's model estimates a _____ distributed lag(DL) model. This model is also known as _____ DL model

1. infinite, polynomial
2. finite, polynomial
3. infinite, exponential decay
4. finite, exponential decay

Options :

89951422743. 1
89951422744. 2
89951422745. 3
89951422746. 4

Question Number : 79 Question Id : 8995145717 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

The number of co-efficients to be estimated in Almon's is mainly determined by

- (i). degree of polynomial
 - (ii). lag length
 - (iii). number of variables used in the model
1. (i) only
 2. (ii) only
 3. (i) and (ii) only
 4. (i), (ii) and (iii)

Options :

89951422747. 1
89951422748. 2
89951422749. 3
89951422750. 4

Question Number : 80 Question Id : 8995145718 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

δ in the adoptive expectations model $X_t^* - X_{t-1}^* = \delta [X_t - X_{t-1}^*]$, where $0 < \delta < 1$ is

1. median rate of adjustment
2. mean rate of adjustment
3. adjustment coefficient or coefficient of expectations
4. speed of adjustment

Options :

89951422751. 1

89951422752. 2

89951422753. 3

89951422754. 4

Question Number : 81 Question Id : 8995145719 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Partial adjustment hypothesis was proposed by

1. Shirley Almon
2. Mark Nerlov
3. Koyck
4. Cagan and Friedman

Options :

89951422755. 1

89951422756. 2

89951422757. 3

89951422758. 4

Question Number : 82 Question Id : 8995145720 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Which of the following is NOT a qualitative variable?

1. Dichotomous variable
2. Scale variable
3. Binary variable
4. Factor variable

Options :

89951422759. 1

89951422760. 2
89951422761. 3
89951422762. 4

Question Number : 83 Question Id : 8995145721 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

In coding, each binary variable is assigned _____ on the basis of the presence or absence of an attribute

1. any integer value
2. any real value
3. 0 or 1
4. any scale value

Options :

89951422763. 1
89951422764. 2
89951422765. 3
89951422766. 4

Question Number : 84 Question Id : 8995145722 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

If a qualitative variable has 2 categories, in an ANOVA Model with intercept, at the maximum we may introduce _____ to avoid dummy variables trap.

1. only 1 dummy variable
2. only 2 dummy variables
3. only 3 dummy variables
4. only 4 dummy variables

Options :

89951422767. 1
89951422768. 2
89951422769. 3
89951422770. 4

Question Number : 85 Question Id : 8995145723 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Consider $Y_i = 3535 + 1125 D_{mi} + U_i$, Y_i – Salary the of i^{th} employee; $D_{mi} = 1$ if i^{th} employee is male & 0 otherwise, then $4660(3535 + 1125)$ is the

1. average salary of male employees
2. grand salary of employees
3. average salary of female employees
4. cannot be interpreted

Options :

89951422771. 1
89951422772. 2
89951422773. 3
89951422774. 4

Question Number : 86 Question Id : 8995145724 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Consider the model $\widehat{Wage}_i = 8.90 - 1.50 D_{fi}$

Where $Wage_i$ is the hourly wage of i^{th} employee; $D_{fi} = 1$ if i^{th} employment is female & 0 otherwise.

Here, SE of intercept term is 0.01 and slope is 0.50. Also $R^2 = 0.916$ & $n = 526$

What is the average salary of the female employee ?

1. 8.90
2. 1.50
3. 7.40
4. 0.21

Options :

89951422775. 1
89951422776. 2
89951422777. 3
89951422778. 4

Question Number : 87 Question Id : 8995145725 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In the model $\hat{Y}_i = \beta_0 + \beta_1 D_{1i} + \beta_2 D_{2i}$, where Y_i is the salary of the i^{th} employee; $D_{0i} = 1$ if i^{th} employee is uneducated and 0 otherwise; $D_{1i} = 1$ if i^{th} employee is the school education completed and 0 otherwise; D_{2i} – if i^{th} employee is degree completed and 0 otherwise. The average salary of degree completed employee or $E(Y_i | D_{1i} = 1, D_{2i} = 1)$ is

1. β_0
2. $\beta_0 + \beta_1$
3. $\beta_0 + \beta_2$
4. $\beta_0 + \beta_1 + \beta_2$

Options :

89951422779. 1
89951422780. 2
89951422781. 3
89951422782. 4

Question Number : 88 Question Id : 8995145726 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Let $\hat{Y}_i = \beta_0 + \beta_1 D_{1i} + \beta_2 D_{2i} + \beta_3 (D_{1i} * D_{2i})$, where Y_i – salary of the i^{th} employee; $D_{1i} = 1$ if i^{th} employee is male and 0 otherwise; $D_{2i} = 1$ if i^{th} employee is educated & 0 otherwise, then β_3 is

1. the measure of effect of gender on salary
2. the measure of effect of education on salary
3. the measure of interaction effect of education & gender on salary
4. average salary of educated male employees

Options :

89951422783. 1
89951422784. 2
89951422785. 3
89951422786. 4

Question Number : 89 Question Id : 8995145727 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Salary of employees by different job category is given as

$$\hat{Y}_i = 25,000 + 10,000D_{1i} + 20,000D_{2i},$$

where Y is salary; D_0 = workers (1= worker and 0 otherwise); D_1 = Supervisors (1 = supervisor and 0 otherwise); D_2 = Manager (1= manager and 0 otherwise).

The result show the coefficient of D_1 is insignificant but D_2 is significant. Now, which of the following hypothesis is TRUE?

1. Salaries of all the employees are same
2. Salaries of workers and supervisors are same but salaries of managers are different.
3. Salaries of workers is not different from managers
4. Salaries of workers and managers are same but they are different from supervisors

Options :

89951422787. 1
89951422788. 2
89951422789. 3
89951422790. 4

Question Number : 90 Question Id : 8995145728 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Which of the following is ANCOVA model, here D_1 and D_2 are dummy variables; also X and Y are quantitative variables

1. $Y_i = \alpha_0 + \alpha_1 D_{1i} + \beta_2 X_i + \beta_2 (D_{1i} * X_i) + U_i$
2. $Y_i = \beta_0 + \beta_1 D_{1i} + \beta_2 D_{2i} + \beta_3 (D_{1i} * D_{2i}) + U_i$
3. $Y_i = \beta_0 + \beta_1 D_{1i} + \beta_2 D_{2i} + U_i$
4. $Y_i = \beta_0 + \beta_1 D_{1i} + U_i$

Options :

89951422791. 1
89951422792. 2
89951422793. 3
89951422794. 4

Question Number : 91 Question Id : 8995145729 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Chow Test failed to distinguish similar regression from

1. Parallel Regression only
2. Dissimilar Regression only
3. Concurrent Regression only
4. All the above regressions

Options :

89951422795. 1
89951422796. 2
89951422797. 3
89951422798. 4

Question Number : 92 Question Id : 8995145730 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Consider the average hourly salary function on education (X), gender (D₁) & race (D₂) . t values are given in the parenthesis.

$$\hat{Y}_i = -0.26 - 2.36D_{1i} - 1.73D_{2i} + 2.13(D_{1i} * D_{2i}) + 0.80X_i \quad R^2 = 0.2032$$

t values of the three coefficients are -0.24, -5.49, -2.18, 1.74 and 9.91 respectively, Also, n = 528. Now, what is your inference about the model?

1. The presence of interaction effect is not made out
2. The interaction effect is significant
3. Cannot infer about interaction effect
4. The information is not adequate

Options :

89951422799. 1
89951422800. 2
89951422801. 3
89951422802. 4

Question Number : 93 Question Id : 8995145731 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following ANCOVA model is used for estimating Spline Regression Model. Here, Y and X are scale variables; D is a dummy variable and X* is a scalar threshold variable.

1. $\hat{Y}_i = \alpha + \beta D_i + \gamma X_i$
2. $\hat{Y}_i = \alpha + \beta D_i + \gamma X_i + \delta (D_i * X_i)$
3. $\hat{Y}_i = \alpha + \beta X_i + \gamma (X_i - X^*) D_i$
4. $\hat{Y}_i = \alpha + \beta D_i + \gamma (X_i - X^*) D_i$

Options :

89951422803. 1
89951422804. 2
89951422805. 3
89951422806. 4

Question Number : 94 Question Id : 8995145732 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

In logit models _____

1. all the variables are quantitative variables
2. dependent variables are quantitative but independent variables may be an admixture of both dummy and quantitative variables.
3. dependent variable is a dummy variable but independent variables could be any combination of variables
4. dependent variable is quantitative and also all independent variables are dummy variables

Options :

89951422807. 1
89951422808. 2
89951422809. 3
89951422810. 4

Question Number : 95 Question Id : 8995145733 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following is true about Linear Probability Model (LPM)

1. Disturbances are normal
2. Variance of disturbances are homoscedastic
3. $\hat{Y}_i$ is the probability measure
4. $\hat{Y}_i$ is bounded within 0 & 1

Options :

89951422811. 1
89951422812. 2
89951422813. 3
89951422814. 4

Question Number : 96 Question Id : 8995145734 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The Logit model is estimated with
1. Ordinary Least Squares Method
2. Generalised Least Squares Method
3. Generalised Method of Moments
4. Maximum Likelihood Method

Options :

89951422815. 1
89951422816. 2
89951422817. 3
89951422818. 4

Question Number : 97 Question Id : 8995145735 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Consider the following Cobb-Douglas Production Function (calculated t values are given in parenthesis)

$$Q^{\wedge} = -7.966 - 0.695 L + 2.620 K$$

t [1.168] [-1.205] [4.439]

It is given that the critical value of $t(12)=2.1788$. What would you infer from this production function?

1. labour elasticity of output is significant
2. capital elasticity of output is insignificant
3. capital elasticity of output is significant
4. there is increasing return to scale

Options :

89951422819. 1

89951422820. 2

89951422821. 3

89951422822. 4

Question Number : 98 Question Id : 8995145736 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The functional relationship between quantity demanded of a commodity and its determinants is defined as _____

1. cost function
2. consumption function
3. income function
4. demand function

Options :

89951422823. 1

89951422824. 2

89951422825. 3

89951422826. 4

Question Number : 99 Question Id : 8995145737 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

What type of good would you expected to have a negative income elasticity of demand?

1. Normal
2. Inferior
3. Luxury
4. Comfort

Options :

89951422827. 1

89951422828. 2

89951422829. 3

89951422830. 4

Question Number : 100 Question Id : 8995145738 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

From the estimates of demand function, the income elasticity of demand is found to be 0.3735.

What would you infer?

1. Necessary good
2. Inferior good
3. Normal good
4. Giffen good

Options :

89951422831. 1

89951422832. 2

89951422833. 3

89951422834. 4