

MASTER OF ARTS EXAMINATION, 2018

2ND YEAR, 4TH SEMESTER

ECONOMICS

Advanced Econometrics II (Old)

Time: Two hours

Full Marks 30

Answer question no 1 and any two from the rest.

1. Discuss how to estimate own and cross price elasticities using an almost ideal demand system method. 10

Or

Prove that an almost ideal demand system satisfies the homogeneity and symmetry property.

10

2. (a) What do you mean by intrinsically linear model? Formulate one suitable test for linearity.
(b) Discuss the consequences of including irrelevant explanatory variables in a regression analysis.

5+5

3. (a) What are the limitations of the methodology for finding out co-integrating relationship among different variables using the methodology of Engle and Granger?
(b) Explain the test procedure for cointegration among different variables using VAR System.

4+6

4. Explain the estimation of impulse response function and variance decomposition in the context of VAR analysis highlighting their uses. 10

Discuss one suitable method of estimation of CES Production function.

10