Ex/PG/ECO/A/DSE10.1/2023

Master of Arts Examination, 2023

(2nd Year, 2nd Semester)

ECONOMICS

[Advanced Econometrics AII]

(Pre Requisite Advanced Econometrics I)

Time : Two Hours — Full Marks : 30

Answer any ***three*** questions.

1. Explain and distinguish between structural VAR and the reduced form VAR highlighting the necessary assumptions. 10

2. Describe the methodology for finding out co-integration among the variables using VAR approach. 10

3. a) How do you carry out the test for restrictions on lag length in a VAR Model?

   b) Explain Variance Decomposition Method using a VAR model. 5+5=10

4. a) What is a GARCH Model? How is it different from ARCH Model?

   b) How do you estimate the parameters of an ARCH Model and carry out the test for ARCH effect? 4+6=10

5. a) Discuss semi-parametric and non-parametric estimation method.

   b) Explain Kernel Density estimation. 4+7=10

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