

EC552 ECONOMETRICS II

➤ Learning Objectives and outcome

- Main purpose of this paper is teaching advanced Econometrics for students and to impart basic skills of economic analysis using econometrics concepts and methods.
- By learning this paper students are expected to know about concepts such as Multiple Regression model, Regression with qualitative independent variables, Simultaneous Equations Model, and problems of identification

Module I : Multiple Regression Model:

Multiple Regression analysis and related problems – specification and estimation - O.L.S method – Multicollinearity – Autocorrelation - Heteroscedasticity.

Module II : Regression with Qualitative independent variables:

Dummy variables -Dummy exogenous variables regression with dummy dependent variables -logic and predict model - errors in variables.

Module III : Simultaneous Equations Model:

Introduction and examples - the simultaneous equation bias and inconsistency of OLS estimators – Problems of identification - rules of identification - order and rank conditions - methods of estimating simultaneous equation system - indirect least squares method - Two stage least squares method and ML methods - applications.

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