

**B. A. Honours (CBCS)  
BAECH**

**ASSIGNMENTS  
(2023-24)**

**Course Code: BECE-142  
Title of Course: Applied Econometrics**

**School of Social Sciences  
Indira Gandhi National Open University  
Maidan Garhi, New Delhi-110 068**



**BECE-142**  
**Applied Econometrics**  
**Assignment (TMA) 2023-24**

**Programme Code: BAECH**

**Course Code: BECE-142**

**Dear Student,**

As explained in the Programme Guide for BAECH, you will have to do one assignment for this Elective course in Economics (BECE-142). This is a Tutor Marked Assignment (TMA) and carries 100 marks.

It is important that you write answers to all the questions in your own words. The TMA is designed to enable you to answer different categories of questions. Here evaluation is made keeping in view your ability to present your answer in a systematic, precise and coherent manner. The assignment is divided into three Sections. All questions are compulsory. Section A comprises two long answer questions of 20 marks each. Section B comprises three questions of 10 marks each while in Section C you have to answer two questions of 15 ( $5 \times 3$ ) marks each.

**Submission:** The completed assignments should be submitted to the Coordinator of your Study Centre.

Last date for submission of assignment is:

**30<sup>th</sup> April, 2024**                      **for the students appearing in June 2024 Term End Examination**

**31<sup>st</sup> October, 2024**                      **for the students appearing in December 2024 Term End Examination**

## BECE-142: APPLIED ECONOMETRICS

Programme Code: BAECH

Course Code: BECE-142

Assignment Code: BECE-142/AST/TMA/2023-24

Maximum Marks: 100

*Answer all the questions*

- A. Long Answer Questions (word limit - 500 words) 2 × 20 = 40 marks**
- 1) Discuss the consequences of ‘errors of measurement’.
  - 2) Elucidate, with illustrations, the application of ‘simultaneous equation models’ in panel data contexts.
- B. Medium Answer Questions (word limit - 250 words) 3 × 10 = 30 marks**
- 3) Discuss the Ramsey’s Test (RESET) for identification of ‘omitted variables’ and ‘incorrect functional form’.
  - 4) Show that the Koyck’s approach to estimating the distributed lag models helps in overcoming an ‘infinite series situation’.
  - 5) Analyse the case of ‘simultaneous equation bias’ in the Keynesian Model of Income Distribution.
- C. Short Answer Questions (word limit - 100 words) 2 × 3 × 5 = 30 marks**
- 6) Differentiate between:
    - (a) Under Identification and Over Identification.
    - (b) Structural Form Equations and Reduced Form Equations.
    - (c) Fixed Effect Model and Random Effect Model.
  - 7) Write short notes on the following.
    - (a) Hausman’s Model Selection Procedure.
    - (b) Linear Probability Model.
    - (c) Rank Condition.