M.A./M.Sc. 3rd Semester Examination, 2011

ECONOMICS

PAPER—XII(ECO-304E)

Full Marks : 40

Time : 2 hours

The figures in the right-hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

Illustrate the answers wherever necessary

GROUP — A

1. Answer any *five* questions :   2 × 5

   (a) What are the basic data sources relating to the estimation of production function for Indian industries ?

   (b) When is the production function called Well-Behaved and Homothetic ?

(c) Briefly explain the basic objectives of Applied Econometrics.

(d) How would you measure 'output' in the estimation of production function.

(e) Define the standard deviation of Logarithms as a measure of income inequality.

(f) Present and explain a macroeconometric model with its classification.

(g) How does Amertya Sen defines equally distributed equivalent income ?

(h) What are endogenous and exogeneous variables ?

(i) Derive the maximum value of Gini coefficient.

(j) Define entropy as a measure of income inequality.

GROUP – B

Answer any *two* questions :   5 × 2

2. Critically examine the trend in macroeconometric model construction.

3. Analyse the serial-correlation bias in the estimation of short-run consumption function.

4. Discuss the problems that arise in the empirical estimation of cost function. How would you solve it ?

5. Distinguish clearly between single equation estimation of money demand and simultaneous equation estimation of money demand. Present the implicit mathematical forms in both the cases.

GROUP – C

Answer any *two* questions : 10×2

6. How will you estimate Cobb-Douglas production function ? What are the problems involved in it ? Write a short note on the estimation of C-D production function for Indian industries.   10

7. Explain the identification problem in a demand-supply framework. How would you solve this identification problem ? (Present both graphical and mathematical interpretations).   10

8. (a) Present a brief description of the various mathematical forms used in the estimation of investment function. 5

   (b) How would you show the applicability of Engel's law from Family Budget Studies ? 5

9. What are the macro-variables, usually incorporated in the construction of macroeconometric models ? What are their aims and objectives ? Describe any one (MPS, DRI, KG) macroeconometric model mentioning the method of estimation. 10