NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2023_2 EXAMINATIONS

COURSE TITLE: INTRODUCTION TO ECONOMETRICS II
COURSE CODE: ECO 356
UNITS: 3
TIME ALLOWED: 3 HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION ONE

(a). Discuss the assumptions of Ordinary Least Squares (OLS) regression model. **(10 marks)**
(b). Discuss the term dummy variable and its uses in econometric analyses. **(10 marks)**
(c). Explain the term 'Model Specification' with detailed examples. **(10marks)**

QUESTION TWO

(a). What do you understand by the term Multicollinearity? **(10marks)**
(b). Discuss how multicollinearity be minimised? **(10marks)**

QUESTION THREE

(a). Discuss the possible causes of autocorrelation **(10 marks)**
(b). Briefly discuss the importance of autocorrelation in a regression analysis. **(10marks)**

QUESTION FOUR

(a). Discuss the adaptive expectation model. **(10Marks)**
(b). Discuss the Differences between regression and correlation analysis. **(10Marks)**