NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024_1 EXAMINATION

COURSE TITLE: APPLIED ECONOMETRICS II
COURSE CODE: ECO 454
CREDIT UNITS: 2 UNITS
TIME ALLOWED: 2 HOURS
INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS

QUESTION ONE

1a. State five basic fundamental properties of econometric model

1b(i). Given the equations $\bar{y} = \propto + \beta_1\bar{x}_1 + \beta_2\bar{x}_2$, $\sum x_1y = \beta_1\sum x^2{}_1 + \beta_2\sum x_1x_2$ and $\sum x_2y = \beta_1\sum x_1x_2 + \beta_2\sum x^2{}_2$ drive the estimator for $\propto$, β_1 and β_2

1b(ii). Discuss briefly the following test of analysis (a) Coefficient of determination (b) The standard error test (c). The z test

QUESTION TWO

2a. State the Dickey Fuller Test Hypotheses

2bi. State four uses of forecasting

2bii. What is manpower forecasting?

QUESTION THREE

3a What is two stage least square

3b Discuss what is Simultaneous Equation Models and three Characteristics of Simultaneous Equation Models

QUESTION FOUR

4a. State the five the assumptions of the instrumental variable

4b Discuss the meaning and five Properties of Three Stage Estimates