

Semester	IV
Paper Number	<b>MECO4412</b>
Paper Title	<b>Econometric Methods –II ( Elective Paper 3)</b>
No. of Credits	6
Theory/Composite	Composite
No. of periods assigned	4 Theory 2 Practical
Course description / objective	<ol style="list-style-type: none"> <li>1. Formulation and empirical testing of economic hypothesis.</li> <li>2. Understanding the interplay of economic theory and economic applications.</li> <li>3. Studying the rationale of the various methods used in applications.</li> <li>4. Introducing students to simultaneous stochastic equations.</li> <li>5. Developing the tools for estimating simultaneous equation model by single equation.</li> <li>6. Introducing students to system estimators</li> </ol>
Syllabus	<p><b>Module –I: Applied Econometrics (25 Marks)</b>  Exploratory Data Analysis -Factor Analysis using Principal Component method of estimation.  Applications of Cross Series Techniques in Economics Demand Estimation - Estimation of Production Function.  Applications of Time Series Techniques in Economics</p> <p><b>Module –II: Simultaneous Equation Model (25 Marks)</b>  Specification, Identification &amp; Estimation.  Rank &amp;Order Condition – Linear Homogeneous Restriction - Zero Restriction (Special case).  Single Equation Modelling- OLS, ILS, Instrumental Variable Estimator, 2 SLS, K- class, LIML, LIGRV- Asymptotic properties &amp; relation between estimators.  System Estimation Method- 3SLS, FIML, FILGRV- Comparison with Single Equation.</p> <p><b>Practical Sessions( 30 marks)</b></p>

Readings	<ol style="list-style-type: none"> <li>1. Johnson, R. A, and Wichern, D. W (2013).: Applied Multivariate Statistical Analysis, Pearson Education, 6<sup>th</sup> Edition.</li> <li>2. Johnston J: Econometric Methods( 2<sup>nd</sup>&amp; 3<sup>rd</sup> edition), Student Edition, McGraw Hill.</li> <li>3. Johnston and Dinardo: Econometric Methods,4<sup>th</sup> Edition, The McGraw Hill Companies Inc.</li> <li>4. Judge. et.al. (1993) :Theory and Practice of Econometrics, Wiley Publications.</li> <li>5. Deaton &amp;Muellbauer: Economics and Consumer Behaviour, Cambridge University Press.</li> <li>6.Kenneth F. Wallis.(1980)Topics in Applied Econometrics</li> <li>7. Meghnad Desai(1977): Applied Econometrics Paperback</li> <li>8. Richard Harris and Robert Sollis, Wiley Student Edition</li> <li>9. Bridge J.L.: Applied Econometrics, North Holland Publishing Company.</li> <li>10. Theil (1971) : Principles of Econometrics. Wiley</li> <li>11. Maddala, G.S (1988) : Econometrics, Mcgraw hill</li> <li>12. G.C. Chow: Econometrics (1984)</li> <li>13. Dhrymes, Phoebus: Introductory Econometrics (2017)</li> </ol>			
Evaluation	Continuous Internal Assessment: 20 marks (Theory + Practical) End- Semester Theory Examination: 50 marks End-Semester Practical: 30 marks			
Paper Structure for End Sem	Module	No. of Questions to be Answered	No. of Alternatives	Marks
	Module 1	1	2	5 x 1 = 5
		2	3	10 x 2 = 20
	Module 2	1	2	5 x 1 = 5
		2	3	10 x 2 = 20
	Total Marks (Theory)			
Total Marks (Practical)				30