

BA.ECO 3rd Sem

MCQ- INTRO. TO ECONOMETRICS (207)

S.N O	QUESTIONS	A	B	C	D	Answer
1	Two events, A and B, are said to be mutually exclusive if:	$P(A B) = 1$	$P(B A) = 1$	$P(A \text{ and } B) = 1$	$P(A \text{ and } B) = 0$	D
2	A Type I error occurs when we:	reject a false null hypothesis	reject a true null hypothesis	do not reject a false null hypothesis	do not reject a true null hypothesis	B
3	What is the meaning of the term "heteroscedasticity"?	The variance of the errors is not constant	The variance of the dependent variable is not constant	The errors are not linearly independent of one another	The errors have non-zero mean	A
4	What would be then consequences for the OLS estimator if heteroscedasticity is present in a regression model but ignored?	It will be ignored	It will be inconsistent	It will be inefficient	All of a),c), b) will be true.	C
5	Which one of the following is NOT a plausible remedy for near multicollinearity?	Use principal components analysis	Drop one of the collinear variables	Use a longer run of data	Take logarithms of each of the variables	D
6	What will be the properties of the OLS estimator in the presence of multicollinearity?	It will be consistent unbiased and efficient	It will be consistent and unbiased but not efficient	It will be consistent but not unbiased	It will not be consistent	A
7	A sure way of removing multicollinearity from the model is to	Work with panel data	Drop variables that cause multicollinearity in the first place	Transform the variables by first differencing them	Obtaining additional sample data	B
8	Autocorrelation is generally occurred in	Cross-section data	Time series data	Pooled data	None of the above	B
9	The regression coefficient estimated in the presence of autocorrelation in the sample data are NOT	Unbiased estimators	Consistent estimators	Efficient estimators	Linear estimators	C
10	In the regression function $y = \alpha + \beta x + c$	x is the regressor	Y is the regressor	x is the regressand	none of these	A
11	The coefficient of determination, r^2 shows	Proportion of the variation in the dependent variable Y is explained by the independent variable X	Proportion of the variation in the dependent variable X is explained by the independent variable Y	Proportion of the variation in u_i is explained by the independent variable X	Both a and c	A

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12	BLUE is	Best Linear Unbiased Estimator	Best Linear Unconditional Estimator	Basic Linear Unconditional Estimator	Both b and c	A
13	Data on one or variables collected at a given point of time	Panel Data	Time series data	Pooled data	Cross-section data	D
14	The violation of the assumption of constant variance of the residual is known as	Heteroscedasticity	Multicollinearity	Homoscedasticity	Autocorrelation	A
15	Formula of coefficient determination is	$1 - \text{RSS}/\text{TSS}$	$1 - \text{RSS}/\text{ESS}$	$1 - \text{RSS}/\text{TSS}$	$1 * \text{RSS}/\text{TSS}$	C
16	In confidence interval estimation, $\alpha = 5\%$, this means that this interval includes the true β with probability of	0.50%	50%	5%	95%	D
17	Consider a large population with a mean of 160 and a standard deviation of 25. A random sample of size 64 is taken from this population. What is the standard deviation of the sample mean?	3.125	2.5	3.75	5.625	A
18	A hypothesis test is conducted to test whether the mean age of clients at a certain health spa is equal to 25 or not. It is known that the population standard deviation of clients at the spa is 10. 36 clients are randomly selected, and their ages recorded, with the sample mean age being 27.8. What is the test statistic of the hypothesis test in this case?	$F = 2.88$	$t = 1.68$	$z = 1.68$	None of the above	
19	In the case of multicollinearity which test will be insignificant?	f test	t test	both a and b	both are significant	B
20	Heteroscedasticity is generally occurred in	Cross-section data	Time series data	Pooled data	None of the above	A
21	When there are both qualitative and quantitative variables are there in the model,	ANOVA	ANCOVA	CHI SQUARE	All of the above	B

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22	When is the problem of dummy variable trap occur?	When we take dummy variables more than the categories	When we take dummy variables less than the categories	When we take dummy variables equal to the no of categories	Both a and c	D
23	Durbin Watson test is associated with:	Heteroscedasticity	Multicollinearity	Autocorrelation	Both a and c	C
24	All are the types of specification errors EXCEPT:	Omission of relevant variable	Inclusion of unnecessary variable	errors of measurement	over identified	D
25	White's test is used for the detection of -----?	multicollinearity	hetroscedasticity	Autocorrelation	None of the above	B
26	Which one is not the assumption of OLS?	Perfect Multicollinearity	zero covariance between error terms and variables	equal variance of disturbances	Mean value of disturbances is zero	A
27	Scaling a dependent variable in log form in the log-lin model will-----	change both the intercept and slope	change the slope but not the intercept	change the intercept but not the slope	intercept and slope both remains unchanged	C
28	Individual respondents, focus groups, and panels of respondents are categorised as	Primary Data Sources	Secondary Data Sources	Itemized Data Sources	Pointed Data Sources	A
29	The scale applied in statistics which imparts a difference of magnitude and proportions is considered as	Exponential Scale	Goodness Scale	Ratio Scale	Satisfactory Scale	C
30	Homogeneity of three or more population correlation coefficients can be tested by	F-test	t-test	Z-test	χ^2 -test	D
31	The successive trials are with replacement in	Hypergeometric distribution	Binomial distribution	Geometric distribution	None of these	B
32	Probability of occurrence of an event lies between	-1 and 0	-1 and 1	1 and 0	100 and -100	C
33	A discrete probability distribution may be represented by	Graph	Table	Mathematical Equation	All of These	D

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34	Student's t-distribution curve is symmetrical about mean, it means that	Odd Order Moments are Zero	Even Order Moments are Zero	Both (A) and (B)	None of (A) and (B)	A
35	Which one is equal to explained variation divided by total variation?	Sum of squares due to regression	Coefficient of Determination	Standard Error of Estimate	Coefficient of Correlation	B

- 36 What are the properties of OLS ?
- 37 Write short note on Qualitative Independent
- 38 What is the difference between R Square and
- 39 What do you understand by homoscedasticity?
- 40 What are the remedies for Multicollinearity?

