Course Code No.: ECO-411	No. of Credits: 04	Semester: IV
Course Title:	ECONOMETRICS - II	

Course Objectives:

The objective of this course is to operationalize empirically economic theory and test economic theory allowing time-lags. Its objective is also to predict future movements in the economic variable of interest on the basis of recent forecasting techniques.

Unit	Course Content	Periods
I	Non-Linear Regression models: Semi-log, Polynomial, double-log and reciprocal regression models.	12
II	Binary (or Dummy Variables): ANOVA and ANCOVA models, interactions involving dummy variables and use of dummy variables in seasonal analysis, Piece wise linear regression analysis, the dummy variable alternative to Chow test.	13
III	Lagged Variables and Distributed – Lag Models: Koyck model, partial adjustment model, adaptive expectations model, Almon lag approach.	11
IV	Simultaneous Equation Models: Examples, simultaneous equation bias, structural form and reduced form, problem of identification: Rules for identification, Estimation of simultaneous – equation models - Indirect least squares, Two-Stage least squares.	12
V	Introduction to Time Series Analysis: Stationarity, Stationary and nonstationary process, Tests of stationarity, unit root, spurious regression, Random Walk Model, Integrated Series, ARIMA (Box-Jenkins) Methodology of forecasting.	12

Course Outcome:-

Student will able to compute growths rate and elasticity's in the economy by using different tag models. Student will able to operationalize empirically economic theory and test economic theory allowing time lags. Student will also able to predict future movement in the economic variable of interest on the basis of recent forecasting techniques.

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