



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2023_1 POP EXAMINATION

COURSE TITLE: APPLIED ECONOMETRICS II

COURSE CODE: ECO 454

UNITS: 2

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS. ONE MARK FOR CLARITY

QUESTION 1

The following results have been obtained from a sample of 8 observations on the value of sales(Y) of a firm and the corresponding prices(X).

$$\bar{Y} = 55, \bar{X} = 8, \Sigma XY = 81, \Sigma X^2 = 18$$

- i) Estimate the regression line of unit of sales on price and interpret the result.
- ii) Estimate the price elasticity of sale (supply) with respect to price using mean sale and mean price. **23 Marks**

QUESTION 2

Outline the basic assumptions of the full information Maximum likelihood method

23 Marks

QUESTION 3

- i) Why is forecasting important in our day to day activities? **14 Marks**
- ii) Write short notes on:
 - a. Opinion of expert forecasters.
 - b. Trend projection forecasts.
 - c. Manpower forecasting. **3 Marks each**

QUESTION 4

Outline the Assumptions and properties of three stage least square.

23 Marks

QUESTION 5

Outline and explain any two basic stages of an econometric research

23 Marks