



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2023_2 EXAMINATIONS**

COURSE TITLE: INTRODUCTION TO ECONOMETRICS II

COURSE CODE: ECO 356

UNITS: 3

TIME ALLOWED: 3 HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE

- (a). Discuss the assumptions of Ordinary Least Squares (OLS) regression model. **(10 marks)**
- (b). Discuss the term dummy variable and its uses in econometric analyses. **(10 marks)**
- (c). Explain the term 'Model Specification' with detailed examples. **(10marks)**

QUESTION TWO

- (a). What do you understand by the term Multicollinearity? **(10marks)**
- (b). Discuss how multicollinearity be minimised? **(10marks)**

QUESTION THREE

- (a). Discuss the possible causes of autocorrelation **(10 marks)**
- (b). Briefly discuss the importance of autocorrelation in a regression analysis. **(10marks)**

QUESTION FOUR

- (a). Discuss the adaptive expectation model. **(10Marks)**
- (b). Discuss the Differences between regression and correlation analysis. **(10Marks)**