University of choice

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)
SCHOOL OF AGRICULTURE, VETERINARY SCIENCES AND TECHNOLOGY (SAVET)

MAIN CAMPUS

UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR

MAIN EXAMS FOR
BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS AND RESOURCE MANAGEMENT AND AGRIBUSINESS MANAGEMENT AND MARKETING

COURSE CODE: ECO 425/301

COURSE TITLE: ECONOMETRICS

DATE: 17TH APRIL 2023   **TIME:** 12-2 PM

INSTRUCTIONS TO CANDIDATES

Answer ALL Questions

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over

ANSWER ALL QUESTIONS

Q1.Define the term econometrics**(2mks)**

Q2. Give four reasons why econometrics is studied as a separate discipline**(4mks)**

Q3. State the law of marginal propensity to consume (MPC) **(2mks)**

Q4. Differentiate between theoretical and applied econometrics.**(4mks)**

Q5. Briefly explain the concept of machine learning as used in econometrics **(4mks)**

Q6. Explain **three** statistical properties that a good econometric estimator should have **(6mks)**

Q7. Apart from ordinary least square estimators, name other **three** types of commonly used estimators.**(4mks)**

Q8. The GDP of Kenya as at December 2022 was 35, 435.0412 billion dollars, calculate the consumption expenditure for the year 2022. Take $\beta 1$ and $\beta 2$ to be -144.06 and 0.8262 respectively.**(4mks)**

Q9. Explain four limitations and criticisms econometric models **(4mks)**

Q10.Explain the arbitrage pricing theory.**(4mks)**

Q11. Discuss extensively the assumptions of classical linear regression model**(15mks)**

Q12.Discuss the stages of econometrics analysis.**(15mks)**