



QP CODE: 26019620



Reg No :

Name :

MA DEGREE (CSS) EXAMINATION, MARCH 2026
Fourth Semester
MA Econometrics
ELECTIVE - EM800401 - FINANCIAL ECONOMETRICS

2020 Admission Onwards

F66B269C

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

Weight 1 each.

1. What do you mean by financial assets?
2. What is Portfolio Analysis?
3. Which assumption regarding the innovation is more stringent?
4. What do you mean by trading time?
5. What is stationarity in time series data and how nonstationarity can be removed?
6. Explain non linear duration models.
7. What do you mean by weak stationarity?
8. Give a short note on statistical factor analysis.
9. Illustrate CHARMA Model.
10. Write a short note on GARCH-M Model.

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

Weight 2 each.

11. Briefly explain Mean Variance Portfolio Analysis.
12. Briefly explain adaptive market hypothesis.





13. Give an account on Sign test.
14. Evaluate the threshold autoregressive model.
15. Analyze the decomposition model for price change.
16. What is meant by realized volatility and how it is estimated?
17. Write a note on threshold cointegration.
18. Discuss Threshold GARCH Model.

(6×2=12 weightage)

Part C (Essay Type Questions)

Answer any **two** questions.

Weight 5 each.

19. Write a note on Efficient Markets Hypothesis.
20. Give an account on Auto-correlation based testing on assumption rw1?
21. (a) Explain the different unit root non-stationary time series and the tests used to detect it?
(b) Interpret the output for the following unit non stationarity test.

```
> adft=unitroot(sp,method='adf',trend='ct',lags=14)
```

```
> summary(adft)
```

Test for Unit Root: Augmented DF Test

Null Hypothesis: there is a unit root

Type of Test: t test

Test Statistic: -0.9648

P-value: 0.9469

Coefficients:				
	Value	Std. Error	t value	Pr(> t)
lag1	-0.0008	0.0008	-0.9648	0.3347
...				
lag14	0.0319	0.0169	1.8894	0.0589
constant	0.0056	0.0054	1.0316	0.3023
time	0.0000	0.0000	0.4871	0.6262

Regression Diagnostics:

R-Squared 0.0107

Adjusted R-Squared 0.0065

Residual standard error: 0.01049 on 3514 degrees of freedom

22. What is non-synchronous trading and the problems it can introduce in daily stock returns?

(2×5=10 weightage)

