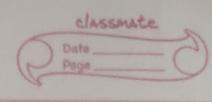
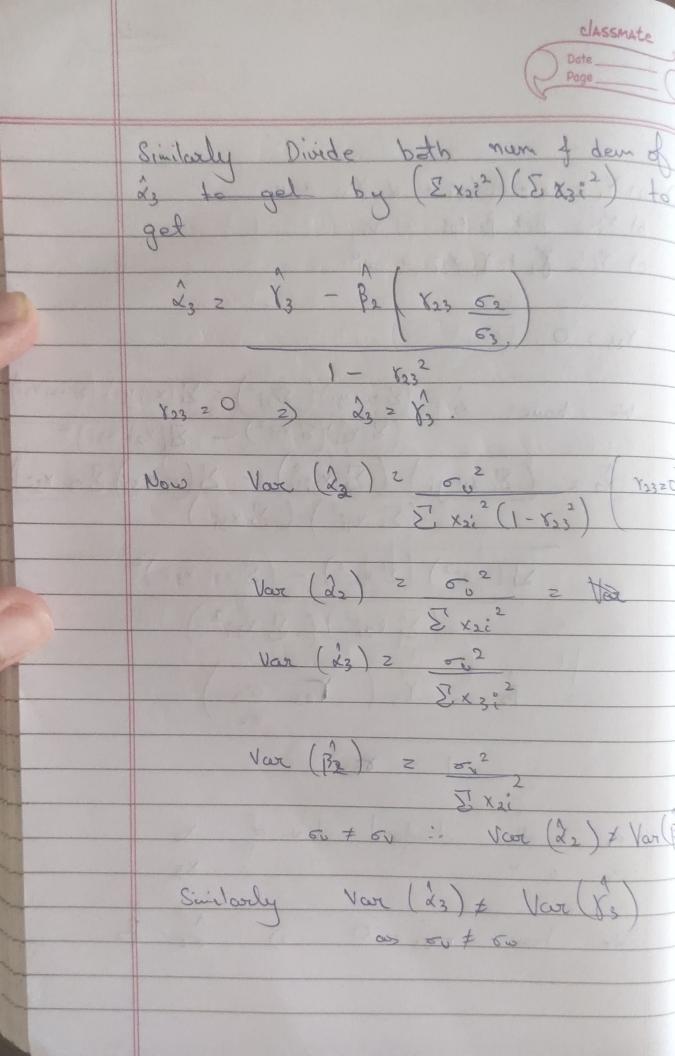
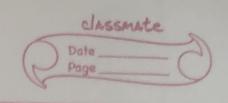


Park's Test: The assumption is 8,2 52 Xie 2 In Park's test there is a d' random disturbance term (V,) 's present, which may not satisfy the assuptions of OLS and many itself have heteroscedasticity problem Gold feld - Quandt - Test: Hero tho as there assumption is $s_1^2 = s_2^2 \times x_1^2$ as there is no other random disturbance term can give note robust conclusions as conformed to Park's Tost.



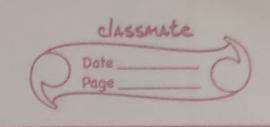
2) a) Y: = x1+ x2 X2: + x3 X3: +21; b) Y: = B, + B2 x2: + Vi 0) Yiz 8, + Y3 X3i + W? We have: $x_2 = \left(\sum_{x_2 \in Y_3} (\sum_{x_3 \in Y_3}) - \sum_{x_3 \in Y_3} (\sum_{x_3 \in Y_3}) \right) - \left(\sum_{x_2 \in Y_3} (\sum_{x_3 \in Y_3}) (\sum_{x_3 \in Y_3}) - \sum_{x_3 \in Y_3} (\sum_{x_3 \in Y_3}) \right) = \left(\sum_{x_3 \in Y_3} (\sum_{x_3 \in Y_3}) ($ λ2 = (Σ x2: y;) (Σ x3:²) - Σ(y: x3:) Σx5 x3: (Σ x2²) (Σ x3:²) 2 (×2;2) (& ×3;2) - (E ×2; ×3;)2 B2 - Y3 (T23 53) is the standard der of X2 ×2320 2) 122 B2 We have



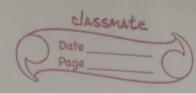


Q3 The problem of autocorrelation occurs when the assuption (E(viyi) =0) violated => that thore is a dependence among the random disturbance terms.

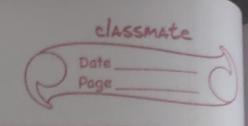
The problem is likely to occur in time-coines data as it naturally follows an excert for e.g. the year on year GDP of a country is likely to show a trend of come relation among it. One court apply the durbin waters test if there is auto regression or those is no intercept as it violates the assuptions of the test.



By The chow text comit be coveried out if the the variances of the sandom difference torus are not aqual because the F-Stal requires RSSS which cont be calculated if the variances are different. If the condition is not satisfied the chow test out



Y:2 X+ B, D; + B2 D2: + B3 (Di: × B2:) + B4 X: + B5 (D1:(*)Xi) + B6 (D21 * Xi) If its significant of the we can
say that lerban areas have higher
ensuftion as impared to sural. 4 4 4 4 4 5 we can say that above Powertty live households have higher consuption as curpored to rural. 4 4 4 4 4 B3 -> Ushan & Above Poverty line have significantly more casuftion as a pared to other roses Byo we can say that higher howerold women will mean higher consulption.



Br > let p, =1 & D2 = 0

Y, = a+ B1+ B4X1+ P5 Xi + vi

= x+ B1 + (B4+B5) Xi + vi

4 Br is significant of the slope

cause a welhange in the slope

coefficient, which shows that consuption will be higher irros bective of the poverty the conditions of the households

Suitarly Br > St.11 show casuftion will be higher interspective of area of snow