**University of Nairobi**

**Financial Econometrics Practice Questions**

**Instructions**

Use the attached data named (Ghana\_data) to answer the following questions.

Write all your results and interpretation in word document and submit the word document via email.

**Questions**

1. Plot time series graph for each variable (6mks)
2. GDP is influenced by gross investments and consumer price index.
3. Write the null and alternative hypotheses (6mks)
4. Run the OLS regression and interpret your results ( R square, F test, coefficients) (12mks)
5. Conduct the diagnostics tests and interpret your results (15mks)
6. After accounting for the diagnostics, are the results different from the ones in (iib) above? (6mks)