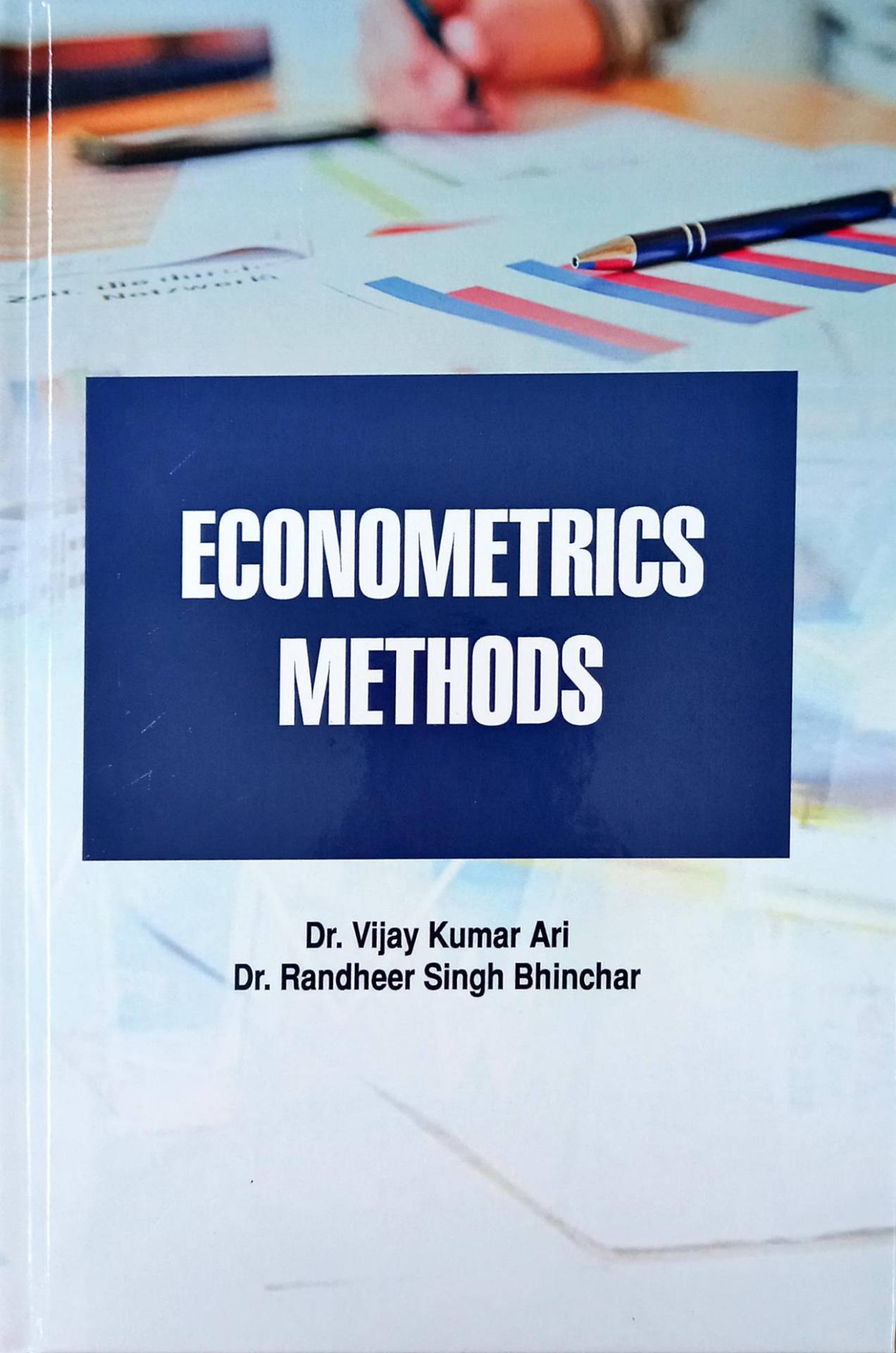


The background of the book cover is a photograph of a desk. In the foreground, there are several papers with charts and graphs. A blue and silver pen lies on one of the papers. In the background, a hand is visible holding a calculator. The overall scene suggests a professional or academic setting.

ECONOMETRICS METHODS

Dr. Vijay Kumar Ari
Dr. Randheer Singh Bhinchar

Econometrics Methods

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ECONOMETRICS METHODS

Econometrics is concerned with the tasks of developing and applying quantitative or statistical methods to the study and elucidation of economic principles. It combines economic theory with statistics to analyse and test economic relationships. Econometrics deals with the measurement of economic relationships. It is an integration of economics, mathematical economics and statistics with an objective to provide numerical values to the parameters of economic relationships. The relationships of economic theories are usually expressed in mathematical forms and combined with empirical economics. The econometrics methods are used to obtain the values of parameters which are essentially the coefficients of the mathematical form of the economic relationships. The statistical methods which help in explaining the economic phenomenon are adapted as econometric methods. The econometric relationships depict the random behaviour of economic relationships which are generally not considered in economics and mathematical formulations. The econometric model can either be a single-equation regression model or may consist a system of simultaneous equations. In most commodities, the single-equation regression model serves the purpose. But, however, in the case where the explanatory economic variables are so interdependent or interrelated to each other that unless one is defined the other variable cannot be determined, a single-equation regression model does not serve the purpose. And, therefore in such situation, the system of simultaneous equations is used to forecast the variable. The primary goal of this book is to present an elementary, but comprehensive treatment of econometrics for under graduate and postgraduate students and research scholars in various universities.

Contents: 1. Basics of Economics, 2. Definition of Econometric Methods, 3. Macroeconomics: Economic Performance and Growth, 4. Econometrics: Techniques and Application, 5. Variables Used in Regression, 6. Demand Analysis and Forecasting, 7. Economic Models in Mathematics, 8. Economic Equilibrium, 9. Macroeconomic Models, 10. Probability.

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