

[Glossary]

Preview of Econometric Methods

Subject:

Business Economics

Course:

Paper No. & Title:

B. A. (Hons.), 5th Semester, Undergraduate

Paper – 531 Elective Paper Q1 – Advanced Econometrics

Unit No. & Title:

Unit – 1 Relaxing the Assumptions of the Classical Linear Model

Lecture No. & Title:

Lecture – 1 Preview of Econometric Methods

Glossary

ANOVA (Analysis of Variance) : It terms of Linear models, It is used for testing the significance of the regression coefficients, significance of \mathbb{R}^2 , and the validity of the model.

C.I. (Confidence Interval): It determines a range within which the population parameter lies within certain degrees of confidence.

Coefficient of Determination: Denoted by \mathbb{R}^2 . It is the ratio of explained sum of squares to total sum of squares. (It explains how much part or portion is explained by the model)

Endogenous Variable : It is the dependent variable (Denoted by Y)

Explanatory Variable(Exogenous Variable) : It is the independent variable (Denoted by X)

LSE (Least square Estimator): Estimator obtained by minimizing error sum of squares.

SE (Standard Error): It is positive square root of sampling variance.