OBJECTIVE

- To define and analyse generalized least squares method.
- To derive testing problems related to GLS method.
- To explain clearly the concept of heteroscadasticity.
- To know about milder and harder heteroscadasticity.
- To understand for the reasons for heteroscadasticity.
- To know while dealing with the data for analysis, how even unknowingly heteroscadasticity is generated.
- To discuss different methods for detecting the problem of heteroscadasticity by means of graphical as well as some formal methods like Spearman's rank correlation coefficient, Park test, Glejser test, Goldfield and Quandt test etc.
- To discuss briefly how to tackle the problems of heteroscadasticity when σ_i^2 is known, by means of weighted least square methods.
- To discuss briefly for dealing with the problem of heteroscadasticity under certain given assumptions for the variance of disturbances.
- To comment on the methods for dealing with the heteroscadasticity problem.