

OBJECTIVE

- 1) To know about the typical nature of simultaneous equations system model.
- 2) To examine the effect of OLS estimation when it is applied to simultaneous equations system.
- 3) To understand clearly about the identification problem.
- 4) To define and illustrate the order and rank condition for identification.
- 5) To understand indirect least squares method for estimating just (or exact) identified equations.
- 6) To get acquainted for two stage least squares method for estimating over identified equations.
- 7) To summarise main features for 2SLS estimators.