

OBJECTIVE

- (1) To introduce DL and AR models.
- (2) To illustrate DL and AR models.
- (3) To examine the reasons for lag.
- (4) To know how Koyck's approach converts an infinite DL model into an AR model
- (5) To understand about Durbin's h test.
- (6) To consider 3 forms for Koyck's model by introducing AEM, PAM and mixture of the two
- (7) How to use IV method to estimate Koyck's model?
- (8) To introduce some preliminary concepts about mean lag, median lag, triangular lag etc.