



School of Economics
Quaid-i-Azam University, Islamabad

SAMPLE PAPER

Ph.D ADMISSION TEST

Attempt all questions. All Questions carry equal marks:

- Q:1 What is Engel Aggregation. Discuss Implications of Engel Aggregation.
- Q:2 Explain the difference between Utility Function and Indirect Utility Function.
- Q:3 What is Elasticity of Substitution, Explain in detail.
- Q:4 Explain the properties of Cob-Douglas Production Function.
- Q:5 What are rational expectations ? Explain its implications.
- Q: 6 What is classical dichotomy? Does government policy effect if classical dichotomy holds?
- Q:7 Explain Life cycle income hypothesis?
- Q:8 What is the contribution of Richard Thaler on which he was awarded Nobel prize.
- Q: 9** Give circumstances under which each of the following methods of estimating the first-order coefficient of autocorrelation may be appropriate:
- First – difference regression.
 - Moving average regression
 - Theil-Nagar Transformation
 - Cochrance and Orcutt iterative procedure
 - Hildreth-Lu scanning procedure
 - Durbin two-step procedure
- Q: 10 State the reason whether the following are true, false or uncertain. Be precise
- Even though the disturbance term in the CLRM is not normally distributed, the OLS estimators are still unbiased.
 - If there is no intercept term in the model the estimated $\mu_i (= \widehat{\mu}_i)$ will not sum to zero.
 - Multicollinearity does not heat if the objective of estimation is prediction only