APPLICATIONS OF ECONOMETRIC THEORY USING MICROFIT

A PRIMER FOR M.PHIL. (Economics) COURSE

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Foreword

This Manual was born out of an attempt to introduce M.Phil. students to econometric analysis based on applications in Department of Economics, Calcutta University. While there are many books on Econometrics, they focus mainly on theory. While their approach is justified in the light of their objectives, it is also necessary to teach the students how to apply the lessons and principles of econometric text books – they must be aware of the choices and problems involved in apply theory to real life situations.

The software package used is Microfit Windows version. In addition there are some applications using Excel. The knowledge of computer literacy required from students is little – basically acquaintance with the Keyboard. However, knowledge of Excel will be useful – specially in designing the programme for Iterative Search used to illustrate an exercise in Lagged Expectations Model.

The optimal student-terminal ratio should be 2:1. In addition there should be facilities to allow the students to practice – to repeat their exercises in an unsupervised environment and to do tasks set in the practical classes.

The assistance extended by Dipamnkar Condoo, Prabirjit Sarkar and Ranajoy Bhattacharya during the first course were of great help in preparing this manual. The students of the first batch (2003-04) nobly served as posts to guide our first faltering steps in academic innovation.

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