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ECONOMETRICS
REVIEW QUESTIONS
Seemingly unrelated regressions

1. Answer by TRUE, FALSE or UNCERTAIN to each one of the following statements, and justify briefly your answers (maximum: 1 page per statement).
   (a) The Kronecker product can be used to multiply vectors of different dimensions.
   (b) The Kronecker product is not applicable to square matrices.
   (c) The Kronecker of two real numbers is a real number.
   (d) The Kronecker product of two invertible matrices is invertible.
   (e) The Kronecker product of two symmetric matrices is symmetric.
2. Describe the method of seemingly unrelated regressions and explain why it may lead efficiency improvements.
3. Describe a case where the uses of the seemingly unrelated regression technique does not yield an improvement over ordinary least squares applied to each equation and justify your answer.