

Northeastern University

Department of Economics

Syllabus

Applied Econometrics II
ECNG740

Dadkhah
Fall 2008

How to contact me

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Objectives of the course

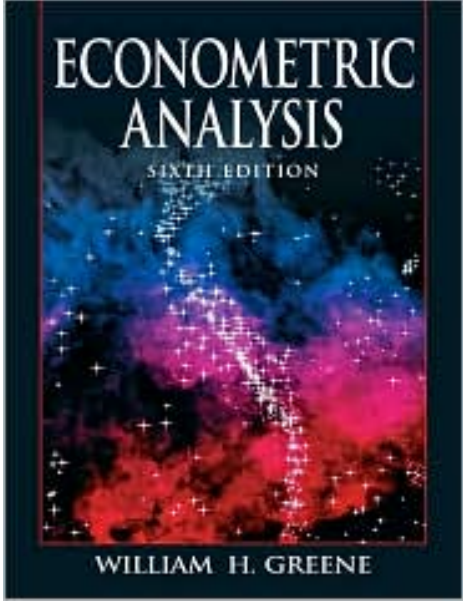
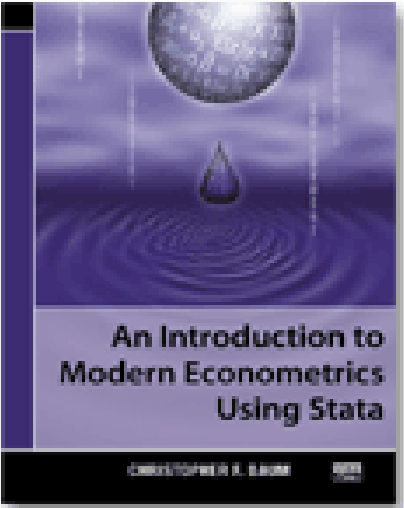
To speak of the importance of econometrics is belaboring the obvious. Econometrics is the main connection between economics and reality. It is the main tool of hypothesis testing, forecasting, and policy evaluation in economics.

Our focus in this course will be on microeconomic models, which include, among others, binary outcome, multinomial, panel data, and limited dependent variable models. Since it is an applied course, everyone is required to formulate and estimate a model and conduct tests of hypotheses. You are free to combine the project in this course with the project in a microeconomics, industrial organization, or labor course. Alternatively, you can carry out the empirical chapter or paper of your PhD dissertation or MA thesis as the project for this course.

As a matter of enhancing your career choices and to be able to work in different environment you need to be able to work with different statistical and econometric packages. Indeed, you should spend time and effort to master at least two packages and be familiar enough with others that should need arises you would be able to master them as well. Being wedded to a particular package and treating it as a religious icon is quite unacceptable. Nevertheless, to make the course manageable we shall primarily use Stata and on occasions SAS.

Whereas the emphasis is on application, econometric theory is important and we shall devote a considerable time to the properties of different estimators, and hypotheses testing.

Texts

	
<p><i>Econometric Analysis (6th ed.)</i></p>	<p><i>An Introduction to Modern Econometrics using Stata</i></p>
<p>William Greene</p>	<p>Christopher Baum</p>
<p>Prentice Hall, 2007</p>	<p>Stata press, 2006</p>

Topics covered in the course

Topics	Chapters
Review of econometric modeling and least squares estimation	G 1- 4 & B 1- 4
Inference and prediction	G 5 & B 4
Functional form	G 6 & B 5

Specification analysis and model selection	G 7
Models for panel data	G 9 & B 9
Instrumental variable estimation	G 12 & B 8
Generalized method of moments	G 15
Maximum likelihood estimation	G 16
Models of discrete choice	G 23 & B 10
Truncation, censoring, and model selection	G 24 & B 10

Grades

Grades are determined on the following basis:

Homework	15%
Project	35%
Mid-Term	20%
Final	30%
Total	100%

