



DEPARTMENT OF ECONOMICS

ECON 809.3: Econometrics II Winter Session 2012

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Office hours: M 4:00 – 5:00 pm; W 11:00 – 12:00 pm

COURSE WEB PAGE: <http://homepage.usask.ca/~mac945/econ809.html>

OVERVIEW

The aim of this course is to introduce graduate students to a variety of econometric tools that are useful in applied research. The course is useful for students who plan to use some of advanced methods in their theses or projects, or for students who plan to work in applied research after graduation. This course consists of five topics covering time-series econometrics, simulation-based inference in econometrics, panel data and discrete choice.

TEXT

There is no required textbook for this course.

The recommended textbooks include:

- Baltagi, B.H., 2005, *Econometric Analysis of Panel Data*, Third edition, Chichester: John Wiley & Sons Ltd.
- Cameron, A.C., and P.K. Triverdi, 2005, *Microeconometrics: Methods and Applications*, New York: Cambridge University Press.
- Davidson, R., and J.G. MacKinnon, 1993, *Estimation and Inference in Econometrics*, New York: Oxford University Press.
- Greene, W.H., 2012, *Econometric Analysis*, Seventh edition, Upper Saddle River: Prentice Hall.
- Hamilton, J.D., 1994, *Time Series Analysis*, Princeton: Princeton University Press.
- Hensher, D.A., J.M. Rose, and W.H. Greene, 2005, *Applied Choice Analysis*, Cambridge: Cambridge University Press.
- Lütkepohl, H., 2005, *New Introduction to Multiple Time Series Analysis*, Berlin: Springer.
- Lütkepohl, H., and M. Kräätzig, (Eds.), 2004, *Applied Time Series Econometrics*, Cambridge: Cambridge University Press.
- Maddala, G.S., 1983, *Limited-Dependent and Qualitative Variables in Econometrics*, New York: Cambridge University Press.
- Maddala, G.S., and I. Kim, 1998, *Unit Roots, Cointegration, and Structural Change*, Cambridge: Cambridge University Press.
- Mills, T.C., and K. Patterson (Eds.), 2006, *Palgrave Handbook of Econometrics, Vol. 1: Econometric Theory*, Basingstoke: Palgrave Macmillan
- Train, K.E., 2003, *Discrete Choice Methods with Simulation*, New York: Cambridge University Press.
- Wooldridge, J.M., 2002, *Econometric Analysis of Cross Section and Panel Data*, Cambridge: MIT Press.

CLASS OVERHEADS

A copy of the class overheads will be available through PAWS.

GRADING

Midterm Test: 20% February 29 in class

Paper: 40%

Final Examination: 40% To be scheduled by the Registrar during the regular examination period.

NOTE: The Midterm Test and the Final Examination will be "**closed book.**"

FORMULA SHEET

Students can bring a one-sided and two-sided standard letter size formula sheet for the midterm and final exams, respectively. The formula sheet must contain only formulae and no words. A violation of this rule would be considered as a violation of The Student Academic Dishonesty Rules. Students are required to submit formula sheets at the end of the examination along with the question paper.

COURSE OUTLINE

<i>TOPIC 1:</i>	Unit Roots and Cointegration
<i>TOPIC 2:</i>	VARs and VECMs
<i>TOPIC 3:</i>	Simulation-based Inference in Econometrics
<i>TOPIC 4:</i>	Panel Data
<i>TOPIC 5:</i>	Discrete Choice

PAPER

Econometrics is best learned by doing. The paper provides an opportunity for students to apply at least one of the techniques covered in the course to a topic of their choice. The topic can be in any area of economics. The two important rules with respect to the paper: (i) it has to be an empirical paper in which at least one of the techniques covered in the course is applied; (ii) the paper cannot be submitted in any other course. The instructor will guide students through the term by providing the feedback at different stages of work. The outline below provides an overview of different stages of work, important dates and allocation of marks for this component of the course.

	Description	Due	Weight
Stage 1	1-3 page outline of the topic, econometric technique to be used, and descriptive statistics for the data (except Topic 3)	January 25	5%
Stage 2	Outline of economic theory and econometrics methodology related to the topic	February 15	5%
Stage 3	Preliminary draft of the paper consisting of Introduction, Literature Review, Economic Theory, Econometrics Methodology, Results, and Conclusions	March 14	10%
Stage 4	Presentations	March 19, 21	5%
Stage 5	Final draft of the paper revised to address the feedback on the preliminary draft	April 4	15%

USE OF CALCULATORS AND ELECTRONIC DEVICES

Electronic devices shall not be permitted during examinations, with the exception of calculators without memory or e-mail functions.

ACADEMIC DISHONESTY:

Academic dishonesty is subject to severe penalty at the University of Saskatchewan. Please refer to the University Calendar: *Student Rights, Discipline, and Appeals*. The Student Academic Dishonesty Rules of the University of Saskatchewan Council can also be found on the U of S website at http://www.usask.ca/university_council/reports/09-27-99.shtml.