

ECONOMICS 423 ECONOMETRICS II

Fall 2011

Prof. Pablo D'Erasmus
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Time: M-W 2:00-3:15
Class Room: TYD 2108
Office Hours: M 3:30-5:00
or by appointment.

COURSE DESCRIPTION

This course goes beyond Economics 422 to cover such topics as analysis of time series data, pooling of cross section and time series data, estimation of simultaneous equation models and estimation of limited dependent variable models. The course is based on Chapters 10-18 of Wooldridge, *Introductory Econometrics, A Modern Approach*. You will have an opportunity to estimate these models in a series of computer projects.

PREREQUISITES AND SOFTWARE

Economics 422 or equivalent is the prerequisite for this course. We will use STATA as the statistical software in all computer projects.

TEXT

Required: Jeffrey Wooldridge. *Introductory Econometrics, A Modern Approach*, 4th Edition.

GRADES

Computer problems (4): 40 percent of final grade (10 each)
Midterm exam: 25 percent of final grade
Final exam: 35 percent of final grade

POLICIES AND IMPORTANT NOTES

Unless previously announced, the class will meet on all Mondays and Wednesdays the university is officially open. Our primary mean for communication outside the classroom is email. I will try to respond to your emails in a timely fashion. We will maintain an email list of all students and may use this list for relaying important information. Please check your email regularly.

The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards for academic integrity for all undergraduate and graduate students. All students are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information please visit

<http://www.shc.umd.edu>.

Within our class, students may work together on problem sets, however, each student absolutely must turn in their own work, from their own computer, and any discussion must be theirs alone, and not attributable to another person or group. Students must list everyone they collaborated with on each problem. Students may not use any textual discussion, calculations or programs from any other student or group of students.

Make-up and Late Assignment Policies

No late assignments will be accepted without prior arrangement. Students are required to take both exams since these assessments are “major scheduled grading events”. Make-up exams will be given only for University approved excused absences. Students claiming an excused absence from an exam must apply in writing and furnish documentary support (such as from a health care professional who treated the student) for any assertion that the absence qualifies as an excused absence. The support should explicitly indicate the dates or times the student was incapacitated due to illness. It is also the student's responsibility to inform the instructor of any intended absences from exams for religious observances in advance. Notice should be provided as soon as possible. If you miss an exam and cannot document a valid excuse, your grade will be recorded as a zero.

Disability Statement

Any student who feels he or she may need an accommodation based on the impact of a disability should contact the instructor privately to discuss his or her specific needs. Please contact the Office of Disability Support Services (<http://www.counseling.umd.edu/DSS/>) at 301.314.7682 in Counseling Center, 0126 Shoemaker Building to coordinate reasonable accommodations in case of documented disabilities.

COURSE SCHEDULE

Class #	Date	Topic
1	8/31	Distribution of course outline - Introduction
X	9/5	<i>No class (Labor Day)</i>
2	9/7	Time Series Analysis; 10.1-10.4 [Problems 10.1-10.3]
3	9/12	Trending and Seasonality; 10.5
4	9/14	Asymptotic Properties of the OLS Estimator 11.1-11.2 [Problem 11.7]
5	9/19	<i>Computer Project #1; Lab Session</i> (Labs 1 and 5 Lefrak)
6	9/21	Highly Persistent Time Series; 11.3-11.5
7	9/26	<i>Work on Computer Project #1 Lab Session</i> (Labs 1 and 5 Lefrak)
8	9/28	Autocorrelation; 12.1-12.5 [Problems 12.1-12.4]
9	10/3	Pooling Cross Section and Time Series Data; 13.1-13.2
10	10/5	Two-Period Panel Data; 13.3-13.4
11	10/10	Panel Data Models; Fixed Effects; 14.1
12	10/12	Random v. Fixed Effects; Cluster Samples 14.2-14.3
13	10/17	<i>Computer Project #2; Lab Session</i> (Labs 1 and 5 Lefrak)
14	10/19	Review for Midterm I
15	10/24	Midterm Exam I
16	10/26	Instrumental Variable Estimation; 15.1-15.2
17	10/31	Two-Stage Least Squares; 15.3
18	11/2	Tests for Endogeneity and Over-Identifying Restrictions; 15.5
19	11/7	<i>Computer Project #3; Lab Session</i> (Labs 1 and 5 Lefrak)
20	11/9	Simultaneous Equation Models; 16.1-16.2
21	11/14	Identification; 16.3-16.5
22	11/16	Binary Dependent Variables; 7.5; 17.1
23	11/21	The Tobit Model; 17.2
24	11/23	Poisson Regression Models; 17.3
25	11/28	<i>Computer Project #4; Lab Session</i> (Labs 1 and 5 Lefrak)
26	11/30	Censored Regression Models; 17.4
27	12/5	Truncated Regression Models; 17.4
28	12/7	Sample Selection Problems; 17.5
29	12/12	Review for Final Exam
	TBA	Final Exam