

MACROECONOMETRICS

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Hours: You can usually drop by anytime, sometimes I am out Thursday-Friday and sometimes I work home in the morning, so email for an appointment if you want to be sure (email is better than talking to me, I use my inbox to keep track of appointments).

Obligatory Notices:

Students with Disabilities: The University of Houston System complies with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, pertaining to the provision of reasonable academic adjustments/auxiliary aids for students with a disability. In accordance with Section 504 and ADA guidelines, the University of Houston strives to provide reasonable academic adjustments/auxiliary aids to students who request and require them. Students seeking accommodation in this course should contact the instructor after obtaining the appropriate documentation through the UH Center for Students with Disabilities.

Counseling and Psychological Services (CAPS) can help students who are having difficulties managing stress, adjusting to college, or feeling sad and hopeless. You can reach CAPS (www.uh.edu/caps) by calling 713-743-5454 during and after business hours for routine appointments or if you or someone you know is in crisis. No appointment is necessary for the Let's Talk program, a drop-in consultation service at convenient locations and hours around campus. See:

http://www.uh.edu/caps/outreach/lets_talk.html

Learning Outcomes:

- Students will learn, through lectures, homeworks, and a final project, to master macroeconomic tools at a level that, in conjunction with other core-classes, enables the students to perform statistical analysis of economic models.
- Students will develop their technical skills as a background for doing empirical work to the level expected in graduate economics programs. For this purpose, student will learn to use econometric software to estimate models on actual economic data.
- Students will learn the basic ideas of advanced econometrics with a focus on empirically relevant issues.

Course Description

This class will consist of some lectures in classic material (Kalman Filter, SVARs, Cointegration,..), reading of some newer material (I need to learn new stuff as well), and student presentations. You are required to do an empirical project or a Monte Carlo study. (I strongly encourage 3rd-year and above students to use real data.) You may want to think of this class partly as a seminar. The class overlaps with Professor Papell's Macroeconomic Modeling and Forecasting but is likely to go somewhat more into the theory than Papell's class and with Professor Murray's Time Series class but is like to go somewhat less into the theory than Murray's class. I expect you to try out methods using Matlab but other software will do. Most serious econometricians post code on their websites and you are encouraged to look for such software and apply it. The end goal is that you learn tools for research, so as opposed to, say, Econometrics II, you may use software even if you do not fully understand the logic (we will then try and figure it out together).

I will not provide a long reading list. I assume you have access to classic texts such as Hamilton for basic ARMA models (a lot of the theory is on the notes I have posted in the past for macro I, that most of you know about, but those notes did not focus on estimation). I will post my lecture notes from Brown (which I will rely on for some topics). As we go along, we will post articles that we are reading or directions on where to find stuff.

In this class, I hope you will experiment and try new methods. The grades will be at least two-thirds determined by your effort and not whether you manage to get some nice results

Webpage: The class webpage will be accessible from my home page.