

ECON 8331 — ECONOMETRICS II

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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).

Learning Outcomes:

- Students will learn, through lectures, homeworks, and TA-sessions, to master econometric 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 the 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

I am teaching this class for the first time and the syllabus will get adjusted as we go along, in particular, I am uncertain about how much time to devote to various topics. It is important that the students let me know if I go too fast which often happens when someone teaches a new course. The topics you should know for the exam is what is taught in class. It is usually not helpful to read further material, but it is often very helpful to read an alternative presentation of the same material.

Readings:

Textbooks:

I plan to use Davidson and MacKinnon: “Econometric Theory and Methods” Oxford University Press 2004. However, as we go along I may find some material better covered in Hamilton’s Time Series book or in Greene. I will also likely post some supplementary papers or links and some notes of my own.

Notes Notes, homeworks, information, etc. will be posted on the class WEB-page. The class WEB-page will be accessible from my home page.

Material covered:

I start with Maximum Likelihood estimation, repeating a bit from Econometrics I and covering some material that we did not have time for in Econometrics I. I then plan to move on the simultaneous equation systems (SURE, 2SLS, and 3SLS). I would like to take about clustered standard errors and about weak instruments (both very important topics for practitioners). I will give an introduction of discrete models (Logit and Probit models), and panel data models. And time allowing, we may talk about non-linear regression and Generalized Method of Moments (GMM). I hope to have computer exercises each week.