



ECON 7330 | Quantitative Economic Analysis

Section: 15512 | Face-to-Face

Cr: 3. (3-0) Prerequisites: Graduate standing in Economics or consent of instructor.
Statistical basis for applied economic analysis, which includes discrete and continuous distributions, point estimation, test of hypothesis, methods of estimation and properties of estimators.

Instructor Information

Bent Sorensen

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Office Hours

by appointment (after class, or email me so I don't forget).

General Course Information

Section: 15890 I Face-to-Face

MoWe 08:30 AM-10:00 AM in T2 307

Course Objectives and Student Learning Outcomes

Learning Outcomes:

- Students will learn, through lectures, computer and theory 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 tools for academia and business

Required Instructional Materials

In principle, there is not required text book. What you should know is what has been covered in

class and only what has been taught in class.

Bruce Hansen: Probability and Statistics for Economists, Princeton University Press 2022. I plan

follow this book quite closely, but focusing on the what you really need to know, while the book

(as almost all textbooks) have (interesting) extra material, which in my view makes it a bit harder

to know what has to be known. Some people like the extra material, and it may very well be

useful if you use the book later for your research but do not get bogged down in material not

covered. Hansen's book is written by an econometrician and it therefore aims directly at preparing

you for econometrics. In terms of difficulty it is somewhat uneven---it aims to cover the statistics

that economists should know, whether it is "hard" or not. You may want to consult other books,

but do NOT read material that we don't cover, unless you feel that you are so far ahead that you

can absorb non-exam stuff.

Other much-used books are, for example,

William Greene: Econometric Analysis. Prentice-Hall. (This is a mainstream econometrics book

used numerous places as the main introduction to graduate econometrics. One major goal of the

course is to give you the background for texts like that. The book has introductory chapters the list

the statistical theory underlying econometrics---the theory this class covers. Greene's summary

may be a useful compact source to consult.) There are also "classic" books on statistics written for

beginning statisticians, ask if want some suggestions, but sometimes these books, while good, are

not as directly relevant for economics.

Course Schedule, Assignments, and Assessments

There will be lectures each Monday and Wednesday and a weekly TA session, usually Friday.

There will be weekly homeworks. We will not have computer homeworks in this class, but you

might still want to get ready for use statistical software (Stata, R, Matlab) as you will need it in the econometrics class among others. The exact amount of material covered varies a little depending on whether we go deeper into some subjects.

Discussion and Lecture Topics

The class will progress by the order of the Hansen text book. (Note, this year, we have a "math

boot camp" which likely covers the first two or three bullet points, if you are not participating in

boot camp, you will be assumed to know this material, so in this case you might want to read the

first chapters of book yourself. Feel free to ask me what to skip.)

- Chapter 1, Basic Probability. Section 1.1 to 1.10 are all essential. You will encounter

combinations and permutations, but I won't ask you to derive them.

- Chapter 2, Random Variables is what you will use during your time at UH. 2.1 to 2.18 are

essential.

- Chapter 3, Distributions. The Normal is absolutely essential. We will also thoroughly study

the Bernoulli, the uniform, the exponential, the log-normal, the binomial (Meaning that I expect you to know the densities/distribution functions). Other distributions you should know is the chi-square, the F-, the t-distribution, the extreme value distribution, and others.

Some we will mention, some we need to know more how to use, but not remember the density.

- Chapter 4, Multivariate Distributions. In particular, you have to know the Normal multivariate distribution and the concepts of marginal and conditional distributions. Also, the law of iterated expectations is essential.

- Chapter 5, Normal and Related Distributions. We will do most of 5.1-5.9, which is all essential for testing in the linear OLS model in econometrics.

- Chapter 6. Sampling. 6.1-6.14.

- Chapter 7. Somewhat briefly. It is super important that you know "the" Law of Large Numbers (LLN). (There are several versions, but for applied work, this is not usually paid

attention to.)

- Chapter 8. Somewhat briefly. It is super important that you know "the" Central Limit Theorem (CLT). (There are several versions, but for applied work, this is not usually paid attention to.)

- Chapter 10. Maximum Likelihood in detail. 10.1-10.15.

- Chapter 13. Hypothesis testing. Concepts of size and power.

Grading Rubrics and Weights

Grades will be based on the midterms (20\% each), home-works (20\%), and final (40\%). If the final, which is cumulative shows clear progress, I may deviate a little from the formula on the upside.

Course Policies and Procedures

Make sure you understand the material after each topic is covered (don't suffer from the illusion

that you will understand it better when exam-time draws near). If the point of some topic is not

clear, ask questions in class and see me in my office this is part of good study habits and without

good study habits Ph.D. level studies don't go far. You can also email questions to me. There

really is only one dumb question, and that is the un-asked question. Why spend hours on something the teacher may be able to clear up in 2 minutes? I could go on, but you should consider it your duty to yourself to seek advice.

University Policies and Student Support Resources

Mental Health and Wellness Resources

The University of Houston has a number of resources to support students' mental health and overall wellness, including [CoogsCARE](#) and the [UH Go App](#). [UH Counseling and Psychological Services \(CAPS\)](#) offers 24/7 mental health support for all students, addressing various concerns like stress, college adjustment and sadness. CAPS provides individual and couples counseling, group therapy, workshops and connections to other support services on and off- campus. For assistance visit uh.edu/caps, call 713-743-5454, or visit a [Let's Talk](#) location in-person or virtually. Let's Talk are daily, informal confidential consultations with CAPS therapists where no appointment or paperwork is needed.

Need Support Now? If you or someone you know is struggling or in crisis, help is available. Call CAPS crisis support 24/7 at 713-743-5454, or the National Suicide and Crisis Lifeline: call or text 988, or chat 988lifeline.org.

Title IX/Sexual Misconduct

Per the UHS Sexual Misconduct Policy, your instructor is a “responsible employee” for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office (known at UH as the Equal Opportunity Services office or "EOS"). Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the UH [Title IX/Sexual Misconduct Resources page](#). Please note that you may also report concerns of discrimination based on your protected class identity to EOS.

Reasonable Academic Adjustments/Auxiliary Aids

The University of Houston is committed to providing an academic environment and educational programs that are accessible for its students. Any student with a disability who is experiencing barriers to learning, assessment or participation is encouraged to contact the Justin Dart, Jr. Student Accessibility Center (Dart Center) to learn more about

academic accommodations and support that may be available to them. Students seeking academic accommodations will need to register with the Dart Center as soon as possible to ensure timely implementation of approved accommodations. Please contact the Dart Center by visiting the website: <https://uh.edu/accessibility/> calling (713) 743-5400, or emailing jdcenter@Central.UH.EDU.

The [Student Health Center](#) offers a Psychiatry Clinic for enrolled UH students. Call 713-743-5149 during clinic hours, Monday through Friday 8 a.m. - 4:30 p.m. to schedule an appointment.

The [A.D. Bruce Religion Center](#) offers spiritual support and a variety of programs centered on well-being.

The [Center for Student Advocacy and Community \(CSAC\)](#) is where you can go if you need help but don't know where to start. CSAC is a "home away from home" and serves as a [resource hub](#) to help you get the resources needed to support academic and personal success. Through our [Cougar Cupboard](#), all students can get up to 30 lbs of FREE groceries a week. Additionally, we provide 1:1 appointments to get you connected to on- and off-campus resources related to essential needs, safety and advocacy, and more. The [Cougar Closet](#) is a registered student organization advised by our office and offers free clothes to students so that all Coogs can feel good in their fit. We also host a series of cultural and community-based events that foster social connection and helps the cougar community come closer together. Visit the CSAC homepage or follow us on Instagram: @uh_CSAC and @uhcupbrd. YOU belong here.

Cougar Parent and Family Engagement Office

This office, under the Dean of Students Office (<https://www.uh.edu/dos/>), coordinates resources for Pregnant and Parenting Students (<https://www.uh.edu/dos/parenting-students/>), Parents and Family members of UH students (<https://www.uh.edu/dos/parents/>), and Sexual Misconduct Support Services (<https://www.uh.edu/dos/sexual-misconduct-support-services/>). A description of available support and resources are provided on the respective web pages. The Cougar Parent and Family Engagement Office is located in Student Center South, room B12.

Academic Honesty Policy

High ethical standards are critical to the integrity of any institution, and bear directly on the ultimate value of conferred degrees. All UH community members are expected to contribute to an atmosphere of the highest possible ethical standards. Maintaining such an atmosphere requires that any instances of academic dishonesty be recognized and addressed. The [UH Academic Honesty Policy](#) is designed to handle those instances with fairness to all parties involved: the students, the instructors, and the University itself. All students and faculty of the University of Houston are responsible for being familiar with this policy.

Excused Absence Policy

Regular class attendance, participation, and engagement in coursework are important contributors to student success. Absences may be excused as provided in the University of Houston [Undergraduate Excused Absence Policy](#) and [Graduate Excused Absence Policy](#) for reasons including medical illness of student or close relative, death of a close family member, legal or government proceeding that a student is obligated to attend, recognized professional and educational activities where the student is presenting, and University-sponsored activity or athletic competition. Under these policies, students with excused absences will be provided with an opportunity to make up any quiz, exam or other work that contributes to the course grade or a satisfactory alternative. Please read the full policy for details regarding reasons for excused absences, the approval process, and extended absences. Additional policies address absences related to [military service](#), [religious holy days](#), [pregnancy and related conditions](#), and [disability](#).

Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the [Justin Dart, Jr. Student Accessibility Center](#). If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not

authorized to be shared with anyone without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.