Econometrics II - Spring 2016

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Course Program (Updated 16/5/16)

1. Generalized method of moments (GMM)

AR *Appendix A and B. Other refs.:* ***CT*** *ch. 6,* ***W*** *ch. 8*
Moment problems and generalized moment problems. IV and 2SLS in the GMM framework. Optimal weighting matrix. Optimal instruments.

2. Panel data methods

AR *ch. 2, 3, 4, 6 and 7. Other refs.:* ***CT*** *ch. 21, 22.* ***W*** *ch. 10,11.*
Fixed effects models. Random effects and Hausman test. Measurement error in panels. Dynamic panels and internal instruments. Predetermined variables.

3. Standard errors topics: clustering and bootstrap

CM. AP *ch. 8.* ***CT*** *ch. 11*
Clustered data and standard errors. Two-way clustering and panel data. Few clusters. Bootstrap and bootstrapped s.e.

4. Discrete choice models and maximum likelihood

Train
Maximum likelihood estimation. Probit and Logit models.

5. Duration analysis

Duration data. Likelihood with censored and non censored durations. Estimation.

Bibliography

1. **AR**: **M. Arellano**, *Panel Data Econometrics* (Oxford University Press, 2003).
2. **CT** : **C. Cameron and P. Trivedi**, *Microeconometrics* (Cambridge University Press, 2005)
3. **W**: **J. Wooldridge**, *Econometric Analysis of Cross Section and Panel Data* (MIT Press 2nd ed. 2010)
4. **Train**: **K. Train**, *Discrete choice methods with simulation* (Cambridge University Press 2nd ed.)
5. **CM**: **C. Cameron and D. Miller**, *A Practitioner's Guide to Cluster-Robust Inference* (J. of Human Resources 2015).

6. **AP**: **J. Angrist and J.S. Pischke**, *Mostly Harmless Econometrics* (Princeton University Press, 2008).