

**ECO 2401 (Second Half)  
ECONOMETRICS II**

**Victor Aguirregabiria. Department of Economics. University of Toronto  
Winter 2018**

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Class meetings: Mondays and Wednesdays, 9-11am, Room WW-120.

Office hours: Tuesdays and Thursdays 3:00-4:00pm

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### **COURSE DESCRIPTION**

This second part of the course deals with econometric methods for the analysis of cross-sectional and panel data. The topics covered are linear panel data models, binary choice models, multinomial models, sample selection, identification, and evaluation of treatment effects.

### **MEETINGS**

We will have two meetings per week: Mondays and Wednesdays, 9-11am, in room WW-120.

### **EVALUATION**

Midterm Exam	35%	
Final Exam	35%	During University Exam Period. Date TBA
Term Paper	30%	Due date Friday, March 30, 2018

The only generally acceptable reason for missing a term test is illness. A medical certificate is required under such circumstances. We would like to remind you that plagiarism is a serious academic offence with potentially serious penalties.

### **GENERAL REFERENCES**

- Amemiya, T. (1985): "Advanced Econometrics," Harvard University Press.
- Arellano, M. (2003): "Panel Data Econometrics," Oxford University Press.
- Cameron, C. and P. Trivedi (2005): "Microeconometrics: Methods and Applications," CUP.
- Heckman, J. and E. Vytlacil (2007): Handbook of Econometrics Volume 6B. Chapter 70.
- Maddala, G. S. (1983): "Limited-Dependent and Qualitative Variables in Econometrics," CUP.
- Manski, C. (2007): "Identification for Prediction and Decision," Harvard University Press.
- Pudney, S. (1989): "Modelling Individual Choice," Blackwell.

- Train. K. (2003): "Discrete Choice Methods with Simulation," CUP.
- Wooldridge, J. (2001): "Econometric analysis of cross section and panel data," MIT Press.

## **OUTLINE AND REFERENCES**

### **Topic 1: Linear Panel Data Models**

#### References:

- Arellano (2003) chapters 2 to 7.
- Cameron and Trivedi (2005) chapters 21-22.
- Chamberlain, G. (1984): "Panel Data," Handbook of Econometrics, Chapter 22.
- Wooldridge (2001) chapters 10-11.

### **Topic 2: Binary Choice Models**

#### References:

- Amemiya (1985) chapter 9.
- Cameron and Trivedi (2005) chapters 14 and 23.4.
- Maddala (1983) chapters 2 and 3.
- Manski (2007) chapter 13.
- McFadden, D. Handbook of Econometrics. Chapter 24. "Econometric Analysis of Qualitative Response Models."
- Wooldridge (2001) chapter 15.

### **Topic 3: Multinomial Models**

#### References:

- Amemiya (1985) chapter 9.
- Cameron and Trivedi (2005) chapter 55.
- Maddala (1983) chapter 5.
- Train (2003) chapters 1 to 10.

### **Topic 4: Roy Model and Evaluation of Treatment Effects**

#### References:

- Heckman, J. and E. Vytlacil (2007), Handbook of Econometrics, Vol 6B, chapter 70.
- Cameron and Trivedi (2005) chapter 25.
- Manski (2007) chapters 7, 9, and 10.
- Wooldridge (2001) chapter 18.

## SCHEDULE OF LECTURES

<b>WEEK</b>	<b>DATE</b>	<b>TOPIC</b>
Week 8:	Mon. Feb. 26	Linear Panel Data Models: Static models
	Wed. Feb. 28	Linear Panel Data Models: Static models
Week 9:	Mon. Mar. 5	Linear Panel Data Models: Dynamic models
	Wed. Mar. 7	Linear Panel Data Models: Dynamic models
Week 10:	Mon. Mar. 12	Binary Choice Models
	Wed. Mar. 14	Binary Choice Models
Week 11:	Mon. Mar. 19	Multinomial Models
	Wed. Mar. 21	Multinomial Models
Week 12:	Mon. Mar. 26	Roy's Model
	Wed. Mar. 28	Roy's Model
Week 13:	Mon. Apr. 2	Evaluation of Treatment Effects
	Wed. Apr. 4	Evaluation of Treatment Effects

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