

# ECO 2401 (Second Half) ECONOMETRICS II

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Class meetings: Mondays 1-3pm (SS 1072); and Wednesdays 12-2pm (WW 120).  
Office hours: Tuesdays and Thursdays 2:00-4:00pm

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## ***COURSE DESCRIPTION***

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

## ***MEETINGS***

We will have two meetings (two hours each) per week: on Mondays 1:00-3:00pm at Sidney Smith, room 1072, and on Wednesdays 12:00-2:00pm at Woodsworth College, room 120.

## ***EVALUATION***

The final grade will be based on the evaluation of problem sets, a final exam, and a term paper according to the following weighting: problem sets 30%; final exam 40%; and term paper 30%.

The **final exam** will be in class, closed-book, and **on our last class meeting on Wednesday, March 31<sup>st</sup>**.

## ***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.
- 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.
- Arellano, M. and B. Honoré (2004): “Panel Data Models: Some Recent Developments,” Handbook of Econometrics. Chapter 53.
- \*\*\* 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.
- Arellano, M. and B. Honoré (2004): “Panel Data Models: Some Recent Developments,” Handbook of Econometrics. Chapter 53.
- \*\*\* 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: Tobit and Sample Selection Models**

#### References:

- \*\*\* Amemiya (1985) chapter 10.
- \*\*\* Cameron and Trivedi (2005) chapter 16 and 23.5.
- \*\*\* Maddala (1983) chapters 6 to 9.
- \*\*\* Manski (2007) chapter 7.
- \*\*\* Wooldridge (2001) chapters 16 and 17.

### **Topic 5: Evaluation of Treatment Effects**

#### References:

- \*\*\* Cameron and Trivedi (2005) chapter 25.
- \*\*\* Manski (2007) chapters 7, 9, and 10.
- \*\*\* Wooldridge (2001) chapter 18.

## ***CLASS SCHEDULE***

<b>WEEK</b>	<b>DATE</b>	<b>TOPIC</b>
Week 8:	Mon. Feb. 22 Wed. Feb. 24	Linear Panel Data Models: Static models Linear Panel Data Models: Static models
Week 9:	Mon. Mar. 1 Wed. Mar. 3	Linear Panel Data Models: Dynamic models Linear Panel Data Models: Dynamic models
Week 10:	Mon. Mar. 8 Wed. Mar. 10	Binary Choice Models Binary Choice Models
Week 11:	Mon. Mar. 15 Wed. Mar. 17	Multinomial Models Multinomial Models
Week 12:	Mon. Mar. 22 Wed. Mar. 24	Tobit and Sample Selection Tobit and Sample Selection
Week 13:	Mon. Mar. 29 Wed. Mar. 31	Evaluation of Treatment Effects <b>FINAL EXAM</b>

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