Assignment 5

Ph.D. Applied Microeconometrics
KDI School Fall 2023

2023-11-17

Due date: Friday, November 24th at 11:59pm

For this assignment, you will be replicating some results from Chalfin (2015), which is a short piece published in *AER P&P*. You can find the paper as well as the author's replication data and do-file in the assignment folder.

Below is a list of tasks. I would like you to create a properly formated PDF file, as if it were a paper. This means that raw code should not appear in the PDF file. In a change, *this week I would like you to format this more like a paper.* I want a short introduction (you can use `# Introduction` in your R Markdown file), and then a separate section for each task. Each section should have a title, and then a discussion of the results. You do not need a conclusion section here.

Tasks:

1. Read the paper (it is very short). Discuss the identification strategy. What is the instrument? What is the argument for use of the instrument? Do you think this is reasonable?
2. Replicate Table 1 columns (1) through (5). Feel free to use the author's do-file to help you (you will more than likely need it!). Discuss the results. Why do authors usually report the first-stage results in an IV paper? Is there a weak instruments problem? How do you know?
3. Replicate *all* of Table 2. Discuss the results.

As before, please submit the following files:

- Your R Markdown file
- Your knitted PDF file
- Any other scripts you used to complete the assignment