

Test: Econometrics of Policy Evaluation

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January 2023

Instructions

- Write legibly and concisely, starting each answer in a new sheet;
- Each question should be answered in at most 500 words (approximately 1 page), unless mentioned otherwise. Make sure you respect this limit, which also gives you guidance on how detailed you should be.
- Each question is worth the same number of points.

Questions

1. Randomization
 - (a) Describe a two-stage randomization procedure. Discuss how it will imply internal and external validity of the results.
 - (b) Back to the Randomization lab, how would you test for balance in a baseline covariate?
2. Compare the sharp and fuzzy discontinuity RD designs.
3. State and explain the **unconfoundedness** assumption. What does it imply for the propensity score?
4. Assume no full compliance in a programme. What are the desired properties of an instrument?

Note. I am not asking you the generic properties of an instrument, but its properties in this very specific setting.

5. Focusing on Matching, state the variables used and compared. Alternatively, the variation used to identify the treatment effect.