University of Nottingham
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Autumn 2018

Econometric Theory I

Computer Lab Class I

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Wednesday 12:00 - 13:00, C42 SCGB

About the lab sessions

Preliminaries

- Four computer classes.
- Sessions provide an opportunity for you to implement the econometric techniques studied in class using econometric software.

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Goals

- Learn how to perform empirical analysis.
- Get a taste of a very popular econometric software.
- Improve statistical and econometric skills.

About the lab sessions

Why is this important?

- Interpreting results of an empirical analysis might be part of the exam.
- You may need to use regression analysis in your dissertation.
- Interpretation of an empirical analysis is sometimes part of the job application process.
- Collecting data and estimating models may be something you will at your job in the near future.

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  for $i = 1, ..., N$ where k denotes the number of explanatory variables and n the sample size.

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- Ultimately, we want to know about the statistical significance of the coefficient estimates by testing

  $$H_0 : \beta_i = 0, \quad \text{for } i = 1, 2, ...k.$$

What you you will see today

How do we actually do this?

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  where

  - $\texttt{earnings}_\texttt{i}$: earnings of individual i in USD per hour
  - $\texttt{educ}_\texttt{i}$: education of individual i as in years
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- We would expect to find a **positive and significant** effect of `educ` and `workexp` on `earings`.

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- (Export regression output to Word)

Thank you and see you next week!

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