LUISS Guido Carli
Econometrics – (A79)

Last updated: February 27, 2012

Instructor:
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Teaching Assistants:
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web page: http://gragusa.org/teaching/ase/

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1 Course description

The aim of this course is to provide an introduction to the practice of econometrics. While both theoretical and practical aspects of econometrics will be covered, emphasis will be on intuitive understanding: concepts will be illustrated with real world applications on real world data.

2 Class website

The class website is http://gragusa.org/teaching/ase/. Please, be sure to visit the course web page regularly, as all materials for the class, occasional messages and any changes in the schedule will be posted there.

3 Textbooks

The textbook we'll be using is Stock and Watson's Introduction to Econometrics (3rd edition)

- Stock, James H. and Mark W. Watson, Introduction to Econometrics, Addison Wesley; 3rd edition, ISBN: 1408264331

Stock and Watson's *Introduction to Econometrics* is nicely organized and easy to read. However, no book is a perfect fit for everyone, and there are many other books you can look at for reference. A good example is Jeffrey Wooldridge's *Introduction to Econometrics*

- Jeffrey Wooldridge, Introductory Econometrics, South Western, fourth edition, 4th edition, ISBN: 0324788908

4 Exams and grading policy

You have two options:

- **(Standard option)** You take a Final written examination on TBA and an oral exam on TBA. Your grade will be the average of the two. In order to pass the class, you have to score more than 18/30 in each exam.
- **(Midterm option)** You take two written examinations, a Midterm on TBA and a **comprehensive** Final on TBA. In this case your grade in the class will be calculated as the maximum between the average of your grades in the two exams and the grade in the final. For example, suppose you earn a 24/30 in the Midterm. If you earn 20 in the Final, your final grade will be $(24+20)/2 = 22/30$; if instead your score on the final is 29 your final grade will be 29/30. If you score less than 18/30 in the Midterm you will have to take both the written and the oral examinations described in the standard option.

	Midterm Option		Standard Option	
	Midterm (Written)	Final (Written)	Final (Written)	Oral Exam
Dates	17/04/2012	TBA	TBA	TBA
			TBA	TBA
Weights	50%	50%	50%	50%
Total Grade	$\max\{(Midterm + Final)/2, Final\}$			

5 Computer software

The software that will be used in this course is STATA. No prior knowledge of this software package is assumed. This package will be introduced in the TA Sessions. STATA is installed in the Computer Lab (A306).

6 TA sessions

We have two very capable teaching assistants assigned to this course: Federica Romei and Antonio Pacifico. They will lead a weekly session which will be held in the computer lab (A306). These classes are in important part of the course and regular attendance is strongly advised. During these sessions, the TA will review the concepts introduced in class.

Below is the schedule of the TA sessions. Whether you have to attend the Wednesday class rather than the Thursday class depends on the initial of your last name.

TA	Where	When	Who
			Students whose name starts with the letter
Federica Romei	A306	Wednesday, *14:45-16:15*	**A** – **F**
Antonio Pacifico	A306	Thursday, *8:30-10:00*	**G** – **Z**

7 Learning outcomes you are expected to achieve

By the end of the course, students are expected to:

1. understand the statistical assumptions underlying regression analysis, and when they are appropriate;
2. be able to understand, interpret and evaluate data analysis performed by others;
3. be able to construct basic forecasting models;
4. become familiar with STATA.

8 Attendance

It is expected that all students attend the lectures and the TA sessions, be up to date with their readings and be prepared to participate fully in class. Please ask questions in class or during office hours if you have any problems or misunderstandings. If you miss a class I expect that you will catch up the missed notes from another student. I will not be giving out my notes to any student.

9 Cheating and other forms of dishonesty

I have no tolerance for cheating. I regard academic dishonesty as a very serious offense. Students caught cheating during exams will fail the class and will be reported to the appropriate

officer of the college.

10 Cell phone policy

The use of cell phones during class will be regarded as a sign of disrespect and it will be treated accordingly.

11 Syllabus

n.	date	topic	book
01	Monday 27 February 2012	Introduction and review of statistics	ch 2,3
02	Tu 28 February 2012	Review of statistics	ch 2,3
03	M 5 March 2012	Bivariate regression I	ch 4
04	Tu 6 March 2012	Bivariate regression II	ch 4
05	M 12 March 2013	Multiple regression I	ch 5
06	Tu 13 March 2012	Multiple regression II	ch 5
07	M 19 March 2012	Multiple regression III	ch 5
08	Tu 20 March 2012	Multiple regression VI	ch 6
09	M 26 March 2012	Nonlinear regression models I	ch 6
10	Tu 27 March 2012	Nonlinear regression models II	ch 6
11	M 2 April 2012	Econometrics in action	—
12	Tu 3 April 2012	Assessing regression studies I	ch 7
13	M 16 April 2012	TBA	
14	Tu 17 April 2012	**Midterm**	
15	M 23 April 2012	Assessing regression studies II	ch 7
16	Tu 24 April 2012	Panel Data I	ch 8
17	M 30 April 2012	Panel Data II	ch 8
18	M 7 May 2012	Binary dependent variable I	ch 9
19	Tu 8 May 2012	Binary dependent variable II	ch 9
20	M 14 May 2012	Instrumental variable regression I	ch 10
21	Tu 15 May 2012	Instrumental variable regression II	ch 10
22	M 21 May 2012	V regression III and program evaluation I	ch 10,11
23	Tu 22 May 2012	Program evaluation II	ch 11