University of California, Irvine
Department of Economics

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ECONOMICS 122B --- Applied Econometrics II

Description: Econometrics provides powerful statistical tools to analyze economic data. Applied econometrician skills are widely appreciated in the private and public sector. This is the second course in the 122 sequence of applied econometrics. Students will learn different econometric techniques and their underlying assumptions and limitations. Moreover, students will have the opportunity to apply these techniques to real economic data using EViews.

Textbook: J.H. Stock and M.W. Watson, Introduction to Econometrics, Third Edition (Addison-Wesley, 2010). The UCI bookstore provides a textbook/MyEconLab bundle. Please register with MyEconLab at http://www.pearsonmylabandmastering.com/ with the course ID **ragusa49537**. Please see the attached sheet for MyEconLab registration instructions

Contact info: My office hours are on Tuesdays from noon to 1PM in SSPB 3239.

Grading: Homework (20%), attendance (5%), in-class participation (5%), midterm (30%) and cumulative final (40%). The midterm will be held on Thursday July 13th during lecture time. The final is scheduled for Wednesday August 7th from 4 to 6pm. **There won't be make-up exams.**

Homework: There are weakly homework assignments. Homework assignments are done in MyEconLab. You can complete your assignments immediately after they are available. The submission deadline has been set on Fridays at 6pm

Discussion sections: There is discussion section on Thursdays from 12:00pm to 12:50pm. Attending section is MANDATORY. You will review important concepts, get help for problem sets and practice with real world data using EViews. Section are thought by Nikki Tavasoli Hozouri (tavasoli@uci.edu).

About EViews: EViews is available at the Social Sciences computer labs.

Course Outline

1. Fast-paced review of statistics and probability (Ch. 2-3, 06/27)
2. Linear regression model: A review (Ch. 4-7, 06/29)
3. Nonlinear regression (Ch. 8, 07/6)
4. Panel data models (Ch. 10, 07/11)
5. Limited dependent variable models (Ch. 11, 07/18)
6. Instrumental variables estimation (Ch. 12, 07/20 and 07/25)
7. Time series analysis (Ch. 14, 07/27 and 08/1)