

Guidelines for the empirical project

- It is recommended to work on the empirical project in small groups of two to three persons. You can also do the project on your own. In any case, please submit only one report per project.
- The topic of the project should be related to the contents of the course. This course covers methods such as ARMA models, ARCH models, vector autoregressions, unit-root tests, cointegration, impulse-response functions. We have learned how to handle time-series variables in the way they depend on their past, and your project is meant to reflect this. You can analyze a set of two to three time-series variables jointly, or two to three time-series variables individually.
- Static regression analysis does not qualify as a topic, even if the residuals/errors are subjected to ARMA modeling and even if you use macroeconomic variables. This year, static regressions will definitively carry no points. If you are in doubt whether your project qualifies, please ask in good time before the submission deadline.
- Your project can be motivated by economic theory, but this is not required. You can also use comparable variables that are not even economic. If you rely on a full-fledged theory model, please keep its description short and refer to the source literature.
- You are supposed to find your own data, no data will be provided. You can use data from various sources, such as Eurostat or Statistik Austria, for example national-accounts data. The world is full of data. Most macroeconomic data is free. It is not recommended to analyze data from standard textbooks. Kindly indicate the source in your report. You can also use non-economic data with time-series characteristics similar to macroeconomic data.
- All methods have been explained in the course on the basis of R and partially also Stata. You can also use other software, such as EViews or Gauss, as long as it contains time-series and cointegration modules.
- It is difficult to provide rules on the length of your report; this depends on type font and writing style. Ten pages are a reasonable guideline. The report should contain all information on what you have been doing and why you have been doing it. Good reports are more like essays than like sequences of tables and figures. Pure software print-outs without comments are not acceptable.
- Avoid plagiarism. Please consider that even the technical description of a procedure is copyrighted when it comes from a software manual. Avoid long citations. Avoid footnotes. List all referenced sources at the end of your report, in alphabetical order. Make your data and source codes accessible.
- An oral presentation of the project is recommended and carries 5 points. The last slots of the course will be reserved for the presentations. Kindly communicate in good time whether you would like to present, and specify the topic and the names of the project group members.
- Please submit your project report by **June 30, 2021**.