

# Advanced Econometrics

## JEM 217 (JEM005) : Empirical Project Assignment

**Due Monday, January 29, 2024, 10:00 A.M.**

Final printed report of the empirical project has to be submitted on due date into the J.Baruník's box next to the IES secretariat (or in case this is not possible due to epidemiological circumstances, online to [barunik@fsv.cuni.cz](mailto:barunik@fsv.cuni.cz)). Late submissions will receive no credit.

Students are encouraged to form a **groups of two students** for carrying out an empirical project. In that case, please hand in only single solution with the names of both participating students. Please append your R files as well.

The group is expected to actively think about an economic problem to model, find the data and use the method of estimation covered during the semester. Project should be no longer than standard 6-8 A4 pages and should include short introduction to the problem, motivation, description of the dataset, method of estimation and finally the interpretation of results. Main objective of carrying out the empirical project is to prepare students for work with real-world estimation problems. Students are encouraged to follow recommendations from Additional notes on Carrying Out an Empirical Project, which can be found on my web page under JEM217 course.

Generally, the empirical project should have a form of very short scientific paper studying the topic of your interest while it should stand on one of the econometric methods we have covered during the semester. Most important task is to carry out analysis properly, do not be afraid to use simple methods, final grade will not depend on the level of the method used, or results achieved, but on the quality of analysis. In other words, even a simple OLS analysis conducted properly on the problematic dataset can result in an outstanding project (of course this is not to discourage you from using more advanced methods we have covered).

Finally, do not forget to follow the structure of the paper. It is not enough to submit Tables with results, they have to be correctly interpreted, discussed and motivated. Presentation of your result is also an important part of the final evaluation of the project.

### Hints:

- (i) Clearly express the research question and its motivation.
- (ii) Include a (short paragraph) literature survey.
- (iii) Clearly define the theoretical model and method of estimation, include motivation of variables you use.
- (iv) Results and interpretation has to be convincing, do not forget to use a proper statistical language when interpreting the results.
- (v) Do not worry if your data can not be estimated by the model you have specified, the only important thing is to discuss why the model does not work (assumptions are violated, etc.) In this case you may also include discussion on what can be improved (collection of the data etc.)
- (vi) Reference list.
- (vii) Appendices with detailed Tables with estimation results and R reports may be included and is not counted in the final number of pages.