

EMPIRICAL PUBLIC ECONOMICS
Empirische Finanzwissenschaft und Wirtschaftspolitik
WS 10/11
2 SWS VL (Lectures) + 1 SWS Ü (Classes)

The course covers the most important approaches and econometric methods in empirical public economics. Students learn how to interpret and apply modern econometric methods commonly used in empirical public economics to topics such as: how do taxes affect individual and firm behavior, do higher unemployment benefits increase unemployment, what are the incentive effects of saving subsidies, and how do estimate the welfare effects of government programs. Empirical approaches covered in the course include: Simultaneity and Instrumental Variables, Natural Experiments and Panel Data Analysis, Selectivity and Treatment Effects, Discrete-Choice Analysis and ex-ante Policy Evaluation.

- Lectures:** Prof. Steiner
Classes: Johannes Geyer (jgeyer@diw.de)
Location: tba (in December two dates will be moved to Wednesday to avoid overlap with the macro lectures given by the Bundesbank professor)
Time: Weekly, Tuesday, 15.15 – 17.45 (VL + Ü);
lectures will start on 19.10.2010 (with 3 hours lectures);
normally, 3 hours lectures will be followed by 2 hours classes and 1 hour lecture the following week, etc.)
Requirements: Knowledge of linear regression analysis and statistical software. We will use STATA in the course.
Credit points: M.Sc. Public Economics: Core course (Pflichtveranstaltung)
M.Sc. Economics: Selective course (Wahlveranstaltung)
VWL Diplom: Core course (Pflichtveranstaltung, 4 BP) for Economic Policy (Volkswirtschaftspolitik), not together with Ökonometrie, and Selective course (Wahlveranstaltung, 4 BP) for Econometrics (Ökonometrie)
Grading: 2 hours' final exam (80%), homeworks (20%)
Literature: lecture notes and core articles in the field made available under:
FU Learning Blackboard – Kurs „Empirische Finanzwissenschaft und Wirtschaftspolitik“
Refresher on econometric methods:
Jeffrey M. Wooldridge (2008), *Introductory Econometrics. A Modern Approach*, 4 ed., Thomson Learning (several copies are available in the “Semesterapparat” of the library).
William H. Greene (2008), *Econometric Analysis*, 6 ed., Pearson Education (more advanced).