

MICROECONOMETRICS

Organization

Lectures: Prof. Steiner

Classes: Ronny Freier (rfreier@diw.de)
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Dates: Weekly, Wednesday, 15.15 – 17.45
3 hours lectures, followed by 2 hours classes and 1 hour lecture the following week
Starting date: 14th April (3 hours lectures)

Venue: FU Berlin, Garystr. 21, 14195 Berlin-Dahlem

Aim and contents of the course

The aim of microeconometrics is to analyze individual behavior on the basis of micro data (cross-section and panel data) of individuals, households, and firms. The standard linear regression model is generally not applicable to micro data due to the non-metric measurement and censoring of dependent variables at the individual level, selectivity and incomplete observability of endogenous variables, and the dependence of individual observations over time. The empirical methods most frequently applied in empirical microeconomics are surveyed and several applications in empirical public economics and labor economics are presented. The course is appropriate for advanced students specializing in econometrics as well as for doctoral students specializing in empirical microeconomics. Basic knowledge of the theory of estimation and testing in econometrics is assumed.

There will be an introduction to the statistical software package STATA 11, which we use in the course, on Monday, 12th April, 16.15-17.45, HS 105, Garystr. 21.

Requirements and grading

There will be an **interim** and a **final exam** covering material from both the lectures as well as the exercises and applications. The exam may be written in English or German. There will also be **3-4 empirical exercises** contributing **20 %** to the final grade.

This course counts for the **Master in Economics** and the **Master in Public Economics** programs, as well as for Econometrics as “Pflichtveranstaltung“ or for Economic Policy (“Volkswirtschaftspolitik”) as “Wahlveranstaltung” in the **Diploma Program**.

Literature

The lectures are mainly based on:

W. H. Greene, *Econometric Analysis* (5th ed.), Pearson, 2008, Chapters 9, 15-16, 23-25.

Additional material is contained in:

A. C. Cameron and P. K. Trivedi, *Microeconometrics. Methods and Applications*, Cambridge University Press, 2005.

J. M. Wooldridge, *Econometric Analysis of Cross Section and Panel Data*, MIT Press, 2002.