

MICROECONOMETRICS

Organization

Lectures: Prof. Steiner
Classes: Dr. Frank Fossen (ffossen@diw.de) / Steiner
Dates: Weekly, Wednesday, 15.15 – 17.45
Starting date: 15th April
Venue: FU Berlin, Garystr.

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.

Requirements

Students are expected to attend all lectures and classes. There will be **3-4 empirical exercises** involving substantial homework (can be in small groups) on the computer. To keep up with the material presented in the lectures and classes, students with little background in econometrics will also have to spend continuously substantial time on digesting the material at home.

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. The **empirical exercises** will contribute **20 %** to the final grade.

This course counts for the **Master in Economics** program, as well as for Econometrics as “Pflichtveranstaltung“ or for Economic Policy (“Volkswirtschaftspolitik”) as “Wahlveranstaltung” in the **Diploma Program**, and for the microeconometrics part of Econometrics II in the **BDPEMS** program.

Literature

The lectures are mainly based on:

W. H. Greene, *Econometric Analysis* (6th 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.