

MICROECONOMETRICS

Organization

Lectures: Prof. Steiner

Classes: Kai-Uwe Müller (kmueller@diw.de)

Davud Rostam Afschar (davud.rostam-afschar@fu-berlin.de)

Dates: Weekly, Wednesday, 15.15 – 17.45

3 hours lectures, followed by 2 hours classes and 1 hour lecture the following week

Starting date: 18 October (3 hours lectures)

Venue: FU Berlin, Garystr. 21, 14195 Berlin-Dahlem, HS 108a.

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 are presented. Students learn how to apply these methods using real-world microdata and the software package STATA.

Requirements and grading

The course is appropriate for advanced students specializing in econometrics as well as for PhD students specializing in empirical microeconomics. Basic knowledge of the theory of estimation and testing in econometrics (including GMM and ML estimation) is assumed, although appropriate refresher material on estimation methods will be made available.

Grading will be based on the **final exam** which may be written in English or German. This course counts for the **Master in Economics** and the **Master in Public Economics** programs. There are special regulations for **PhD students** for whom grading may be based on the full course (6 points) or half of the course (3 points), and who may also substitute a term paper for part of the final exam.

Literature

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

W. H. Greene, *Econometric Analysis* (7 ed.), Pearson, 2012, Chapters 11 and 17-19.

J. M. Wooldridge, *Econometric Analysis of Cross Section and Panel Data*, MIT Press, 2 ed. 2010.

The lecture notes and selected journal articles on empirical applications will be made available at the course blackboard (**microeconometrics_ws11**).