

## MICROECONOMETRICS

### Organization

**Lectures:** Prof. Steiner

**Classes:** Frank Fossen ([ffossen@diw.de](mailto:ffossen@diw.de)), Daniela Glocker ([dglocker@diw.de](mailto:dglocker@diw.de))

**Dates:** Weekly, Wednesday, 15.15 – 17.45  
*Starting date:* 16<sup>th</sup> April

**Venue:** FU Berlin, Garystr. 21, HS 108

### 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. To deal with these problems, over the last three decades a large number of statistical models and methods have been developed and extensively applied in various fields of empirical microeconomics, in particular public economics, labor economics, and industrial organization.

The lectures introduce the most commonly used models in applied microeconometrics. Applications of these models to empirical data and to a variety of empirical topics are given in classes. All lectures and classes are given in English. An introduction to a statistical software package (**STATA**) is also given, but any other software package appropriate for the analysis of micro data and available at the university's PC-lab can also be used.

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 **four 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 (point estimate: 4 hours/week) on digesting the material at home.

There will be an **interim** and a **final exam** (60 minutes each) 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.