

EMPIRICAL PUBLIC ECONOMICS
Empirische Finanzwissenschaft und Wirtschaftspolitik
WS 09/10
2 SWS VL (Lectures) + 1 SWS Ü (Classes)

The course covers the most important approaches and econometric methods in empirical public economics. Students learn to interpret and apply modern econometric methods commonly used in empirical public economics. The topics covered include questions 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 local governments adjust their expenditures to fiscal shocks. Empirical methods 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.

All lectures and classes will be given in English. Exams may be written in English or German.

- Lectures:** Prof. Steiner
Classes: Nadja Dwenger (ndwenger@diw.de), Johannes Geyer (jgeyer@diw.de)
Time and Location: Weekly, Wednesday, 15.15 – 17.45 (VL + Ü)
 Garystr. (HS to be announced)
Start: 14.10.2009 (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 (STATA, R, EViews, etc.). 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: midterm and final exam, 1 hour each (40% + 40%), homeworks (20%)
Literature: lecture notes and core articles in the field made available at the beginning of the course 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).