Aim of the course

- Acquire the necessary skills to understand and assess empirical studies in economics (and elsewhere)
- Two ‚types' of questions suitable for econometric analysis:
  - Forecasting, e.g. what is the inflation rate next month/year?
  - Estimation of causal effects, e.g. what is the effect of changes in bilateral tax agreements on tax compliance?
- Focus is on the estimation of causal effects

Tentative Outline

- Basic Multiple Regression Analysis:
  - Estimation and inference (Wooldridge Ch. 3/4, only briefly)
  - Functional form (e.g. logarithmic equations, Wooldridge Ch. 2/6):
  - Qualitative Information (e.g. dummy variables, Wooldridge Ch. 7)
  - Heteroscedasticity, Specification issues (Wooldridge Ch. 8,9)
- Regression Analysis with Time Series Data (Wooldridge Ch. 10, 11)
- Pooling Cross-Sections across Time (Wooldridge Ch. 13)
- Regression Analysis with Panel Data (Wooldridge Ch. 14)
- Instrumental Variables Estimation (Wooldridge Ch. 15)
- Estimation frameworks: Method of moments and maximum likelihood (only briefly)

Teaching

- Weekly classes: discussion of theory and data analysis (mainly based on the Wooldridge textbook)
- Examination:
  - Final exam: 100%
- Literature:
  - Jeffrey M. Wooldridge (2016/15), Introductory Econometrics, International Edition, 6th/ EMEA Edition, Cengage Learning
  - Russel Davidson, James G. MacKinnon (2008), Econometric Theory and Methods, Oxford University Press
  - James H. Stock, Mark W. Watson (2007), Introduction to Econometrics, 2nd Edition, Addison Wesley

Organization

- We will basically start off from Wooldridge, Chapter 4. There is pre-couse in the Winter Term covering the necessary material (chapters 1-4) for entering this course (Winter term)
- Exam date (tentative): Monday, July 16, 2018 12:30 - 3:30 PM