

Description

651 - Empirical Economics, Fall 2019

Course director

Östling, Robert

ECTS credits

7.50

Semester

Fall 2019, first period

Information

Course within Specialization (BSc BE)

Course within specialization (civ.ek)

Teaching language

English

Department

[Department of Economics](#)

Course Description

This course covers the most common methods economists use in empirical research. The econometric methods taught in this course can be used to test hypotheses derived from economic theory about the behavior of individuals and firms. But the methods are also widely applicable whenever you want to learn about empirical relationships from existing data, or when you collect your own data (for example by conducting a survey or running an experiment). The focus of the course is on practical applications of the methods and interpretation of the results. The course will also develop your critical thinking about what data and analyses are required to establish an empirical fact.

Intended Learning Outcomes

At the end of the course, students should:

- Be able to perform and evaluate cross-sectional analysis
- Be able to perform and evaluate panel data analysis
- Understand how instrumental variables can address some empirical concerns
- Be able to critically assess empirical claims

Course structure

The course consists of 17 lectures and 7 seminars. The aim of the lectures is to teach the basics of econometrics and sound research practice when doing empirical work. The aim of the seminars is to provide intuition for the topics taught in the lectures and in the textbook. The seminars also allow students to work with the statistical software STATA and provide valuable "hands on" experience with empirical work. Neither the lectures nor the seminars are mandatory. However, participation in the first seminar is strongly encouraged as student pairs for the assignments will be formed during the first seminar, and since there will be an introduction to working with STATA.

Advice for students

The course requires students to understand a set of ideas rather than memorizing facts. Since the ideas taught toward the end of the course build upon the ideas in the early part, we strongly encourage students to put in effort right from the start, and not wait until the last weeks before the exam.

Course team

Course director and teacher: Robert Östling, robert.ostling@hhs.se.

Teaching assistant: Oliver Engist, oliver.engist@phdstudent.hhs.se.

Administrative assistant: Lyudmila Vafaeva, lyudmila.vafaeva@hhs.se.

Contact with teachers

We prefer that students use the lectures and seminars to contact the teaching staff. In case you want to contact a teacher outside of teaching hours, send an e-mail and we will do our best to respond to your questions or set up a meeting.

Course material

The course material consists of lecture notes and the course textbook, *Introductory Econometrics: A Modern Approach* by Jeffrey M. Wooldridge, seventh edition.

Lectures

Participation in lectures is not mandatory. There will be 17 lectures including including one review lecture.

Seminars

There will be three or four different seminar groups depending on the total number of students. We require students to stick to the seminar group to which they are registered.

There will be two types of seminars: five seminars in the PC labs and two case-based seminars. Both types of seminars aim to provide a learning environment with larger scope for student involvement compared to the lectures, but the focus is different.

The seminars in the PC labs focus on understanding the course material through empirical exercises using the statistical software STATA. The seminars will cover the key issues discussed in class during the preceding lectures.

The case-based seminars aim to provide an opportunity to reflect on and discuss research papers. For each seminar there will be one paper. All students are required to have read this paper beforehand and be prepared to give a 10-minute presentation of the paper, covering topics such as the question asked, the data used, the estimation strategy and the credence of the results. The non-presenting students are expected to be able to discuss the paper following the presentation.

Participation in the seminars is not mandatory, however:

1. Participation in the first seminar is highly recommended since the basics of STATA needed to solve the assignments will be discussed.
2. **Active** participation in the two case-based seminars give 2 points each. To be considered "active" a student must have read the paper in question and be prepared to discuss it in class.

STATA assignments

There will be four assignments which require you to use STATA to carry out empirical analysis. STATA commands needed to solve each assignment will be discussed in the seminars prior to the assignment due date, as well as key interpretations issues invoked by the assignment. Seminar presentation slides will be made available to students for reference while completing the assignment.

Mid-term exam

There is a mid-term exam consisting of multiple-choice questions based on the material covered during the first **eight** lectures of the course.

Literature

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Examination

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Grading

The maximum score on the course is 100.

- Assignments give a total of 14 points (4 + 4 + 4 + 2)
- Case-based seminars 4 points (2 + 2)
- Mid-term exam 7 points
- Final exam 75 points

We follow the grading guidelines set out by the school for students admitted 2016 or later (Excellent: 80-100; Very Good: 70-79, Good: 60-69; Pass: 50-59).

Mid-term exam

The mid-term exam takes place on **September 17th, 08.00-10.00 in Stora salen/Grand hall and room 350** (the allocation of students to rooms will be made in due time for the exam). The exam consists of multiple-choice questions on the material covered in the first **eight** lectures of the course.

Old exams

We will post examples of old exams on the course web page toward the end of the course. There will be suggested solutions to some, but not to all, old exams.