

Economics 671: Econometrics
Department of Economics, Finance and Legal Studies
University of Alabama
Fall, 2017

Professor: Daniel J. Henderson
Lecture: TR 9:30 – 10:45, Bidgood 371
Office: 262 Alston
Office Hours: TR 11:20 – 12:20, or by appointment
E-mail: djhender@cba.ua.edu
Phone: (205) 348-8991
Course Web Site: <https://culverhouse.ua.edu/djhender/economics-671>

Course Description:

This course deals with linear and nonlinear estimation techniques of parametric models. The analysis will focus on estimation via least-squares, maximum likelihood and generalized method of moment estimators. We will focus on nonlinear estimation, including limited dependent variable models and will end with panel data estimation.

Textbooks:

Microeconometrics: Methods and Applications
Cameron and Trivedi: Cambridge 2005, ISBN 9780521848053

Other Useful Textbooks:

Econometric Analysis
Greene: Prentice Hall 2008, ISBN 9780135132456

Econometric Analysis of Panel Data
Baltagi: Wiley 2008, ISBN 0470518863

Generalized Method of Moments
Hall: Oxford 2005, ISBN 0198775202

Limited Dependent and Qualitative Variables in Econometrics
Maddala: Cambridge 1983, ISBN 0521338255

Prerequisites:

A firm understanding of Economics 670

Grading Policy:

The course will consist of several homework assignments, one in-class midterm examination and a course project (due in pdf format via e-mail by 9:00 AM on 12-09-17). The course grade will be determined according to the following formula:

Homework	30%
Midterm	30%
Project	40%

Project:

The project will require the students to write an empirical paper (approved by the instructor before the midterm), which uses methods taught in lecture. Further, the student will be required to make a short write up (4-5 pages) of the experiment. Note that no late projects will be accepted, further note that no extensions will be given.

Course Outline:

Review of linear estimation

- OLS

- MLE

Generalized method of moments

- Relationship to existing estimators

- Linear models

- Nonlinear models

- Hypothesis testing

Limited dependent variable models

- Binary

- Multinomial

- Censored

- Survival analysis

Panel data

- One-way and two-way models

- Hausman-Taylor estimation

- Hypothesis testing

- Nonlinear models

Note that the schedule is subject to change depending on the pace of the course.

Policy on Academic Misconduct

All students in attendance at the University of Alabama are expected to be honorable and to observe standards of conduct appropriate to a community of scholars. The University expects from its students a higher standard of conduct than the minimum required to avoid discipline. Academic misconduct includes all acts of dishonesty in any academically related matter and any knowing or intentional help or attempt to help, or conspiracy to help, another student.

The Academic Misconduct Disciplinary Policy will be followed in the event of academic misconduct.

Disability Statement

If you are registered with the Office of Disability Services, please make an appointment with me as soon as possible to discuss any course accommodations that may be necessary. If you have a disability, but have not contacted the Office of Disability Services, please call 348-4285 or visit 133-B Martha Parham Hall East to register for services. Students who may need course adaptations because of a disability are welcome to make an appointment to see me during office hours. Students with disabilities must be registered with the Office of Disability Services, 133-B Martha Parham Hall East, before receiving academic adjustments.

Severe Weather Protocol

In the case of a tornado warning (tornado has been sighted or detected by radar, sirens activated), all university activities are automatically suspended, including all classes and laboratories. If you are in a building, please move immediately to the lowest level and toward the center of the building away from windows (interior classrooms, offices, or corridors) and remain there until the tornado warning has expired. Classes in session when the tornado warning is issued can resume immediately after the warning has expired at the discretion of the instructor. Classes that have not yet begun will resume 30 minutes after the tornado warning has expired provided at least half of the class period remains.

UA is a residential campus with many students living on or near campus. In general classes will remain in session until the National Weather Service issues safety warnings for the city of Tuscaloosa. Clearly, some students and faculty commute from adjacent counties. These counties may experience weather related problems not encountered in Tuscaloosa. Individuals should follow the advice of the National Weather Service for that area taking the necessary precautions to ensure personal safety. Whenever the National Weather Service and the Emergency Management Agency issue a warning, people in the path of the storm (tornado or severe thunderstorm) should take immediate life saving actions.

When West Alabama is under a severe weather advisory, conditions can change rapidly. It is imperative to get to where you can receive information from the **National Weather Service** and to follow the instructions provided. Personal safety should dictate the actions that faculty, staff and students take. The Office of Public Relations will disseminate the latest information regarding conditions on campus in the following ways:

- Weather advisory posted on the UA homepage
- Weather advisory sent out through Connect-ED--faculty, staff and students (sign up at myBama)
- Weather advisory broadcast over WVUA at 90.7 FM
- Weather advisory broadcast over Alabama Public Radio (WUAL) at 91.5 FM
- Weather advisories are broadcast via WUOA/WVUA-TV, which can be viewed across Central Alabama. Also, visit wvuatv.com for up-to-the-minute weather information. A mobile Web site is also available for your convenience.

UAct:

The University of Alabama is committed to an ethical, inclusive community defined by respect and civility. The UAct website (www.ua.edu/uact) provides extensive information on how to report or obtain assistance with a variety of issues, including issues related to dating violence, domestic violence, stalking, sexual assault, sexual violence or other Title IX violations, illegal discrimination, harassment, child abuse or neglect, hazing, threat assessment, retaliation, and ethical violations or fraud.