



STUDY PROGRAMME

ECO ECO-ELEA ECO-EPPA ECO-EEIB

ACADEMIC YEAR

2019 - 2020

SEMESTER

2nd

COURSE TITLE

Econometrics II

COURSE PROFESSOR

Eric de SOUZA

COURSE ASSISTANT

NATURE OF COURSE (COMPULSORY, OPTIONAL)

Compulsory ECO
Optional ECO-ELEA ECO-EPPA ECO-EEIB

LANGUAGE OF INSTRUCTION

English

ECTS CREDITS

4.5

1. COURSE OBJECTIVE

The purpose of the course is to provide you with a practical working knowledge together with the necessary theoretical underpinnings of certain contemporary econometric methods used in the analysis of economic policy and behaviour. Such tools are used nowadays in fields as microeconometrics, public policy analysis, macroeconomics, industrial economics, labour economics, regional economics, financial economics and so on. The aim is to develop an appropriate modelling strategy. Emphasis is placed on the practice of econometrics

2. LEARNING OUTCOMES

At the end of this course, students should be able to:

1. understand the methodology of and apply the econometric methods listed below to data sets using Stata;
2. correctly interpret and critically evaluate the empirical results;
3. judge whether a certain method is appropriate in a given data application and for a given economic research question;
4. evaluate its advantages and potential pitfalls, and compare them with alternative methods.

The learning outcomes for this course tie in with the following learning outcomes for the European Economic Studies programme:

1. Use economic theory to assess current problems and policies;
2. Learn how to acquire relevant information in related disciplines (law, political science);
3. Think innovatively and provide constructive analytical commentary as well as potential recommendations on the evolution of the EU and its possible future development;



4. Recognise the importance of empirical foundation for knowledge acquisition and evidence-based policies and use quantitative techniques and other empirical methods to evaluate theoretical knowledge;
5. Find, select, critically evaluate and use references, data and other sources of information within a short amount of time;
6. Be autonomous in their preparation and review of materials for the courses as well as in their completion of assignments bearing different requirements in terms of methodology, workload and evaluation of the final work;
7. Work together in groups to solve problems, share tasks, prepare assignments, go through case studies and make presentations.

3. COURSE CONTENTS

The topics covered in the course are the following:

- 01 Maximum Likelihood Estimation
- 02 Econometric Evaluation of Policy Interventions
- 03 Limited Dependent Variable Models
- 04 Generalised Method of Moments
- 05 Linear Systems and Vector Autoregressions (VARs)
- 06 Dynamic Panel Data Models
- 07 Non-Stationarity and Cointegration
- 08 Cointegration In Systems
- 09 Simultaneous Equation Systems and Structural VARs

4. TEACHING METHOD(S)

Lectures and compulsory assignments realised in groups which are created and fixed at the start of the course. The lectures provide the methods which are then put to practice in assignments.

5. COURSE MATERIAL

Lecture notes

There is no standard textbook for the course because hardly any textbook covers all these topics. Textbook coverage is also much more technical than the level of the course. References will be added during the course as and when useful.

6. EVALUATION

Assignments: 35% of the final mark. The assignments will be graded.

A written, open-book examination will take place during the examination session: 65% of the final mark. Lecture notes provided by the instructor, personal notes of the student and assignments realised in the framework of the course are allowed.