Lectures: Mon 15:30-17:00, Wed 9:30-11:00.
Exercise classes: Wed 11:30-13:00. Conducted by Laura Crespo crespo@cemfi.es
Workshop (Almuerzos): 13:00-15:00 on weeks 6 (Wed), 8 (Wed), and 10 (Wed).

Grades will be based on class exercises (20%), presentation (20%), and final exam (60%).

Textbooks


Course outline and readings

1. Generalized method of moments and optimal instruments

1.1 Instrumental variables.
1.2 General formulation.
1.3 Testing overidentifying restrictions.
1.4 Nonsmooth moments.
1.5 Optimal instruments.

Class Notes:
Instrumental Variables in a Market Model
Generalized Method of Moments and Optimal Instruments
GMM with Nonsmooth Moments

Arellano, Appendices A and B.
Wooldridge, Chapter 14.

2. Linear panels

2.1 Within-groups.
2.2 Error in variables.
2.3 Predeterminedness and dynamics.
2.4 Covariance structures with error components.
2.5 Random coefficients.

Class Notes:
Linear panels and random coefficients
Static Panel Data Models
Dynamic Panel Data Models I: Covariance Structures and Autoregressions
Dynamic Panel Data Models II: Lags and Predetermined Variables
3. Discrete choice

3.1 Binary models.
3.2 Multinomial models.
3.3 Endogeneity and control functions.
3.4 Binary endogenous regressors.

Class Notes:
*Binary Models with Endogenous Explanatory Variables LATE in Binary Choice.*

Cameron and Trivedi, Chapters 14, 15.
Wooldridge, Chapter 15.

4. Duration models

4.1 The hazard function. Proportional hazard models.
4.2 Unobserved heterogeneity versus state dependence.
4.3 Discrete time duration models.
4.4 Interdependent durations.

Class Note: *Duration Models*

Cameron and Trivedi, Chapters 17, 18, 19.
Wooldridge, Chapter 19.

5. Quantile methods

5.1 Medians, quantiles and optimal predictors.
5.2 Quantile regression.
5.3 Asymptotic results.
5.4 Endogenous quantile methods.
5.5 Censored quantile regression.

Class Note: *Quantile Methods*

6. Stratification and clustering

6.1 Finite populations.
6.2 Weighted estimation and stratification.
6.3 Cluster standard errors.
6.4 Bootstrap methods.

Class Note: *Econometrics of Survey Data*
Cameron and Trivedi, Chapter 24.
Wooldridge, Chapter 20.