

University of Southern California  
Economics Department  
Spring 2016

**ECON 419: Advanced Econometrics**

Instructor: Juan Esteban Saavedra ([juansaav@usc.edu](mailto:juansaav@usc.edu))

Class Meetings: Tuesdays and Thursdays, 4:00pm-5:50pm, KAP 144  
Office Hours: Tuesdays, 2:30PM-4:00PM or by appointment, VPD 314-J

**Description:** Intended as a continuation of ECON 318 (Introduction to Econometrics), this course focuses on developing the theoretical basis and practical application of the most common tools of empirical analysis. Foundations of analysis will be coupled with hands-on examples and assignments involving the analysis of data sets.

**Prerequisites:** This course is primarily designed for undergraduate Economics students who have already taken microeconomic theory, introductory statistics, introductory econometrics and calculus courses.

**Readings:** The course material is self contained and there is no required textbook for the course. Class slides covering the material will be posted on the course website. Some students might find it useful to have a textbook as an additional reference. Good reference books are (in alphabetical order):

Angrist, J. and Pischke, J.S. Mostly Harmless Econometrics, Princeton, 2009  
Stock, J. and Watson, M. Introduction to Econometrics, 2<sup>nd</sup> Edition Alison-Wesley, 2007  
Wooldridge, J. Econometrics of Cross Section and Panel Data, MIT, 2002

**Assignments:** Homework assignments must be handed in before class on the day they are due. Late assignments will be marked down. Students are encouraged to work in small groups; the maximum group size is 3 for all assignments. Each student must write up her or his answers separately. Please append your “log” files to your assignments when appropriate. The data for the assignments will be available in the course web page in STATA format. Students are strongly encouraged to use STATA in all assignments.

**Code of Conduct:** All course activities, including class meetings, homework assignments, and exams, are subject to the USC code of conduct. In addition, students may not use cell phones during class-time. Please make sure that your cell phone is disconnected during class time.

**Grading:** The final grade will consist of the homework assignments, the midterm exam and the final exam, with the following weights:

Homework Assignments: 15%  
Midterm Exam (March 5): 25%  
Final Exam (TBD): 30%  
Final Project (Due last day of class): 30%

Completing and submitting all homework assignments (by their due date) and exams is required to pass this course. There will be six homework assignments with due dates: Jan 28, Feb 11, Feb 25, March 10, April 5, April 21.

### **ECON 419 Schedule**

Jan. 12 Introduction. Statistical Prerequisites I  
Jan. 14 Statistical Prerequisites II. Regression  
Jan. 19 Economic Relationships and Conditional Expectations I  
Jan. 21 Economic Relationships and Conditional Expectations II  
Jan. 26 Estimation and Inference I  
Jan. 28 Estimation and Inference II (HW1 DUE)  
Feb. 2 Qualitative and Limited Dependent Variable Models I  
Feb. 4 Qualitative and Limited Dependent Variable Models II  
Feb. 9 Qualitative and Limited Dependent Variable Models III  
Feb. 11 Models of Truncation and Censoring I (HW2 DUE; Topic/question for final project due)  
Feb. 16 Models of Truncation and Censoring II  
Feb. 18 Quantile Regression  
Feb. 23 Instrumental Variables I  
Feb. 25 Instrumental Variables II (HW3 DUE; Potential data sources for final project due)  
Mar. 1 Instrumental Variables III  
Mar. 3 Instrumental Variables IV  
Mar. 8 **Midterm Exam**  
Mar. 10 Panel Data I (HW4 DUE)  
Mar. 13-20 No Classes (Spring Break)  
Mar. 22 Panel Data II  
Mar. 24 Panel Data III  
Mar. 29 Panel Data IV  
Mar. 31 Panel Data V  
Apr. 5 Difference in Differences I (HW5 DUE; Preliminary results for final project due)  
Apr. 7 Difference in Differences I  
Apr. 12 Difference in Differences II  
Apr. 14 Regression Discontinuity I  
Apr. 19 Regression Discontinuity II  
Apr. 21 Field Experiments I (HW6 DUE)  
Apr. 26 Field Experiments II  
Apr. 28 Review (FINAL PROJECT DUE)