

**Second Part Time Series Econometrics
(Master of Development Economics)**

Empirical Project (no more than 10 single page slides) that has to be handled in the day of the final exam and also uploaded in Aula Global (in pdf)

The main goal is to replicate [Stock-Watson JEP2001 VARS](#).

- Replicate the paper with the original data and re-do the paper with updated data (both datasets are provided in my web page). Comment the main differences between the two VAR models (Granger causality, IRF, shock identification, forecasting results, etc.)
- Extra things: Test for unit roots, Test for Cointegration and according to these results re-specify (if necessary) the VAR model. Basically VAR en differences, VAR en levels, etc. Very very important the VAR model has to be balanced.
- A brief conclusion (how effective is the monetary policy, has the financial crisis changed any result? etc.)