

Course Projects for the Ph.D. course on Applied Time Series Analysis: “The Great Moderation”

(Only 5 Pages)

(The presentation of the project will take place during the sessions of the last week of the course. Due Date: Final Week during presentations.)

The goal of the empirical project is to replicate one of the following papers using E-views:

- A *”Explaining The Great Moderation: It Is Not The Shocks,”* by D. Giannone, M. Lenza and L. Reichlin (2007), CEPR working paper (<http://www.cepr.org/pubs/dps/DP6600.asp>).
- B *”Output fluctuations in the United States: what has changed since the early 19080’s?”* by McConnell, M., and G.Perez-Quiros (2002), American Economic Review, 90(5), 1464-1476.
- C *”Has the Business Cycle Changed and Why?”* by Stock, J.H., and M.W. Watson (2002), in NBER Macroeconomics Annual 2002.

Some Remarks

1. The problem-practical sessions conducted by the TA Ozan Eksi will drive you through the empirical project. There will be 5 sessions of two hours. During these sessions Ozan will show you how to apply the material covered in class to some of the time series of the Stock-Watson (2002) paper using E-views.
2. Choose one of these papers (or any other very closed related) and get the data ASAP (at least two variables).
3. Because there are more students than papers, my recommendation is to form 8 working groups of the same size. If for instance several groups select paper [C], each group could focused on a different sector of the economy (real, monetary, financial, etc.) or in different countries (Japan, Canada, UK, US, etc.) The same apply for the other papers.