ECONOMETRICS II

MSc in ECONOMIC ANALYSIS
Universidad Carlos III de Madrid

Fourth Term 2013/14

Instructor: Carlos Velasco.
Room: 15.1.09
Phone: 9646
e-mail: carlos.velasco@uc3m.es
web page: www.eco.uc3m.es/~cvelas

SYLLABUS


2. Estimating systems of equations by OLS. Inferences on a multivariate linear system based on OLS; GLS and FGLS; Seemingly unrelated systems of equations; the linear panel data model.


**COURSE OUTLINE AND OBJECTIVES**

This second course in Econometrics for the Economics Ph. D. program at University Carlos III de Madrid complements the Econometrics I course in three main directions. First, inference for models with endogenous variables and systems of equations is discussed, extending many ideas described in Econometrics I. Second, specific inference methods for dynamic models for time series data are presented. Third, some particular examples of extremum estimates, including nonlinear GMM, and its application to nonlinear and limited dependent variable models is discussed.

Lecture notes are provided for each topic, together with a problem set including theoretical and applied exercises. Selected exercises will be worked out in classes. There is a mid-term exam 1-hour long that will account for 20% of the final grade. This and the final exam will contain problems and exercises similar to those of the problem sets.

The basic textbooks are Wooldridge (2002) and Hayashi (2000). Wooldridge (2000) and Stock and Watson (2010) are good introductions for many topics including dynamic models. Some other useful texts with additional examples and details are provided in the reading list and will be commented lectures. Further references for specialized topics are provided in a second list.

**BASIC TEXTBOOKS**


**OTHER USEFUL TEXTBOOKS**


