file

**Badi H. Baltagi**
**Visiting Professor**
**University of California, San Diego**
**Department of Economics**
**Spring Quarter 2002**
**Econometrics 220C**

**e-mail: BADI@ECON.TAMU.EDU**
**http://econweb.tamu.edu/baltagi**

***Course Description:*** This course will cover various aspects of regression theory with emphasis on panel data. The prerequisite is Econometrics 220B. Additional readings will be put on reserve throughout the course.
***Grading:*** There will be a mid-term (33.3%), a final examination (33.3%) and computer problems (33.3%).

***Required Text:*** Baltagi, Badi H., *Econometric Analysis of Panel Data*,2nd edition, John Wiley & Sons, 2001.

***Recommended Texts:***

1. Hsiao, Cheng, *Analysis of Panel Data*, Cambridge University Press, 1986.
2. Matyas, L. and P. Sevestre, editors, *The Econometrics of Panel Data: A Handbook of Theory and Applications*, Kluwer Academic Publishers, 1996.
3. Baltagi, Badi H. and Baldev Raj, editors, *Panel Data Analysis*, Physica-Verlag, Heidelberg, 1992.
4. Maddala, G.S., editor, *The Econometrics of Panel Data*, Volumes I and II, Edward Elgar Publishing, Cheltenham, 1993.
5. Dielman, T.E., *Pooled Cross-Sectional and Time-Series Data Analysis*, Marcel Dekker, 1989.
6. C. Hsiao, K. Lahiri, L.F. Lee and H.Pesaran, eds., *Analysis of Panel Data and Limited Dependent Variable Models*, Cambridge University Press: Cambridge, 1999.
7. Baltagi, B.H., T. Fomby and R.C. Hill, Nonstationary Panels, Cointegration in Panels and Dynamic Panels, *Advances in Econometrics*, Elsevier Publishers, Amsterdam, 2000.
8. J. Kirshnakumar and E. Ronchetti, editors, *Panel Data Econometrics: Future Directions*, North-Holland, Amsterdam, 2000.
9. Wooldridge, J.M., *Econometric Analysis of Cross-Section and Panel Data*, MIT Pres, Massachusetts, 2002.

***Additional Readings***:

*Handbook of Econometrics*:(1984) Chapter 22 - "Panel Data" by Gary Chamberlin.
Ch. 29 - "Econometric Analysis of Longitudinal Data" by Heckman and Singer.
Also the recent chapter by Arellano and Honoré (2001) *Handbook of Econometrics*
Applications: see Baltagi and Raj (1992): Part III, and Matyas and Sevestre (1996)

Two special issues of the *Journal of Econometrics* one edited by Carraro, Peracchi and Weber (1993), Volume 59, and the other edited by Baltagi (1995), Volume 68.
A special issue of the *Oxford Bulletin of Economics and Statistics* Volume 61, edited by Banerjee, (1999).
A special issue of *Annales D'Économie et de Statistique*, Volume 55-56, (1999),
A special issue of *Advances in Econometrics*, Volume 15, edited by Baltagi, Fomby and Hill, (2000).
Two special issues of *Econometric Reviews*, Volume 19, Nos. 3 and 4, edited by Maasoumi and Heshmati (2000).

**1. Benefits and Limitations of Panels**

Baltagi, *Econometric Analysis of Panel Data*, Chapter 1.
Hsiao, *Analysis of Panel Data*, Chapters 1 and 9.
Matyas and Sevestre, Chapter 1.

**2. The One-Way Error Component Model**

Baltagi, Chapter 2
Hsiao, Chapters 2, 3

**3. The Two-Way Error Component Model**

Baltagi, Chapter 3
Matyas and Sevestre, Chapters 2-4

**4. Test of Hypotheses with Panel Data**

Baltagi, Chapter 4
Hsiao, Chapter 3
Matyas and Sevestre, Chapter 4 and Section 12.3

**5. Heteroskedasticity and Serial Correlation**

Baltagi, Chapter 5
Hsiao, Section 3.7

**6. Seemingly Unrelated Regression**

Baltagi, Chapter 6

**7. Simultaneous Equation Models**

Baltagi, Chapter 7
Hsiao, Chapter 5
Matyas and Sevestre, Chapter 9

**8. Dynamic Panel Data Models**

Baltagi, Chapter 8
Hsiao, Chapter 4
Matyas and Sevestre, Chapters 7 and 8

**9. Unbalanced Panel Data**

Baltagi, Chapter 9

**10. Measurement Error, Rotating Panels, Pseudo-Panels, Spatial Panels**

Baltagi, Chapter 10.
Hsiao, Section 3.9, Chapter 8.
Matyas and Sevestre, Chapters 10,11.

**11. Limited Dependent Variables,**

Baltagi, Chapter 11.
Hsiao, Chapter 7.
Matyas and Sevestre, Chapters 16 and 18.

**12. Nonstationary Panels**

Baltagi, Chapter 12.
Hsiao, Section 3.9, Chapters 7 and 8.
Baltagi, Fomby and Hill (2000), Banerjee (1999)