

**University of California, San Diego. Department of Economics
Spring Quarter 2007**

ECON 120C: ECONOMETRICS C

Professor Magdalena Sokalska e-mail: msokalska@ucsd.edu
Office, Economics Bld. Room # 111
Office hours: Mon 8:10-9:10pm Course webpage at webct.ucsd.edu
Lectures: Mon 5:00p - 7:50p PCYNH 106

COURSE DESCRIPTION

Econ 120C is a sequel to Econ 120A and Econ 120B. The objective of the course is to provide you with knowledge of econometrics in theory and applications. At the end of the course, students should be able to apply fundamental econometric methods to analyze real-life economic relations.

REQUIRED TEXTBOOK

James Stock and Mark Watson, *Introduction to Econometrics*, 2nd ed. (Addison Wesley 2006).

ADDITIONAL MATERIAL (for your reference only)

Dougherty, C, *Introduction to Econometrics*, Oxford University Press, 2002, Selected chapters may be useful for background reading for inquisitive students.
Wooldridge, J., *Introductory Econometrics*, Southwestern, 2002. For more mathematically inclined students.

REQUIRED SOFTWARE

The software for this course is STATA (www.stata.com). Students can use STATA in the computer laboratories in Econ 100, ERC116 and ERC117.

GRADING

Midterm	40%
Final	60%

The midterm will take place during lecture time on Monday April 30, 2007. There will be no makeup exam. If you miss the midterm for a medical or another university approved reason, the weight will be allocated to the remaining exam. Final exam is cumulative but much bigger emphasis will be placed on the material not covered in the midterm.

All exams will be closed book, but you are allowed to bring one hand-written formula page. Photo reducing is not permitted. The page may not be larger than 8.5in by 11in. For the midterm it has to be one-sided for the final it can be two-sided. You may bring a calculator.

There is no additional time for late students. Once a student has finished a test and left the classroom, no late student can start the test. If a student leaves the classroom during the exam, he cannot come back to finish the test. Copies are generally corrected and returned one week after the exam in class. Grades are posted on WebCT, they are not given by email.

Re-grading is exceptional. If the copy is written with a pencil, no re-grading is possible.

Procedure : Ask the TA for re-grading. If you disagree with the TA, contact the instructor with a written note explaining your request and the reason for disagreement with the TA; attach your note to exam copy. The instructor will re-grade considering the entire copy.

Deadline to re-grade of the midterm-end of week 9.

Deadline to re-grade the final exam: one month after the beginning of the following quarter.

TEACHING ASSISTANTS

Name	E-mail	OH	Location
Fissel, Ben	bfissel@ucsd.edu	Fri 5pm-6pm.	Sequoia Hall 228
Lu, Xun	xunlu@ucsd.edu	Mon 1:30-2:30pm	Sequoia Hall 205
Hahn, Youjin	yohahn@ucsd.edu	Tue 10:50-11:50am	Economics 118

COURSE OUTLINE

Introduction

PART I: Nonlinear and Discrete Choice Models

(SW 8 and 11)

Polynomial and logarithmic regression model

Dummy variables

Interactions between independent variables

Linear probability model

Probit and Logit models.

PART II: Basic Time Series Analysis

(SW 14,15,16)

Introduction to time series data: autocovariance and autocorrelation

AR(p) model: estimation and forecasting

ADL(p,q) model

Regression with autocorrelated errors: HAC standard errors

Stationarity

Error correction model and cointegration.

PART III: IV estimation

(SW 12)

Failure of the OLS estimation and the IV estimation

Final exam

06/13/2007 W 7:00p - 9:59p Location: TBA