

SUBJECT TEACHING GUIDE

G944 - Applied Econometrics

Degree in Economics

Academic year 2019-2020

1. IDENTIFYING DATA					
Degree	Degree in Economics			Type and Year	Compulsory. Year 4
Faculty	Faculty of Economics and Business Studies				
Discipline	Subject Area: Econometric Methods Module: Training in Quantitative Methods				
Course unit title and code	G944 - Applied Econometrics				
Number of ECTS credits allocated	6	Term	Semester based (1)		
Web	http://moodle.unican.es				
Language of instruction	Spanish	English Friendly	Yes	Mode of delivery	Face-to-face

Department	DPTO. ECONOMIA				
Name of lecturer	JOSE LUIS GALLEGO GOMEZ				
E-mail	jose.gallego@unican.es				
Office	Edificio de las Facultades de Derecho y Ciencias Económicas y Empresariales. Planta: + 1. DESPACHO PDI (E158)				
Other lecturers	NAMKEE AHN JUNG				

3.1 LEARNING OUTCOMES

- To get familiar with the stylized facts of both time series and cross section data.
- To learn the art of building macro- and micro-econometric models.
- To know how to use macro- and micro-econometric models to contribute to planning and decision taking.
- To gain skills to manage econometric software.

4. OBJECTIVES

To train students to understand, build and use macro- and micro-econometric models.

6. COURSE ORGANIZATION	
CONTENTS	
1	Microeconometrics
1.1	Binary response models. Linear probability model. Logit and Probit models: specification, estimation, hypothesis testing, goodness of fit, prediction and interpretation. Applications.
1.2	Multiple response models. Ordinal outcomes. Ordered logit and probit models: specification, estimation, hypothesis testing, goodness of fit, prediction and interpretation, the parallel regression assumption. Nominal outcomes. Multinomial and conditional logit models: independence of irrelevant alternatives.
2	Macroeconometrics
2.1	Time series regression. Stationary and non-stationary models. Spurious regressions. Unit root test. Cointegration. Error correction model. Applications.
2.2	Vector autoregressive models. VAR and VEC models: specification, estimation, diagnosis and uses. Testing for multivariate cointegration. Identification problem.

7. ASSESSMENT METHODS AND CRITERIA				
Description	Type	Final Eval.	Reassessn	%
Microeconometrics	Laboratory evaluation	No	Yes	50,00
Macroeconometrics	Laboratory evaluation	No	Yes	50,00
TOTAL				100,00
Observations				
<p>The two blocks in which the subject is divided (micro and macroeconometrics) are practically independent, so a minimum grade of four is required in each continuous assessment control to calculate the average grade for the subject, which must be greater than or equal to than five on a scale from zero to ten.</p> <p>Students who pass the two continuous assessment controls will have passed the subject without having to take the ordinary examination exam. However, they may do so to improve the score of the controls they want, with the guarantee that the highest grades will always be maintained, that is, the effort to improve grades is not penalized.</p> <p>Students who pass only one of the controls, will have to recover the control suspended in the ordinary call, and may also examine the approved control to improve the grade. As already indicated, the highest score of the tests carried out will always be maintained.</p> <p>In the extraordinary call the student can only recover the suspended exams, there being no possibility of improving the grade of the approved part.</p> <p>In the ordinary and extraordinary examinations the exam of each block will be without a computer and will consist of a theoretical and a practical part (interpretation of estimated macro and micro-econometric models and of R programs used in the practices).</p> <p>Students who wish to improve their continuous assessment note in one or both parts, may attend the standard exam. The final score of the corresponding part will be always the highest of the two notes.</p>				
Observations for part-time students				
<p>Although it is highly recommended to attend the theoretical and practical classes, attendance is not compulsory, so that part-time students can present themselves, if they wish, to continuous assessment controls (one or both).</p> <p>The evaluation method is identical to that described for full-time students.</p>				

8. BIBLIOGRAPHY AND TEACHING MATERIALS

BASIC

Hill, R.C., Griffiths, W.E., Lim, G.C. (2011) Principles of Econometrics, 4th ed., John Wiley & Sons, Inc.

Gallego, J.L. (2019) Apuntes de Econometría Aplicada. Departamento de Economía, Universidad de Cantabria (moodle.unican.es).