ECON 835 : APPLIED ECONOMETRICS II
- Unit Outline -

SEMESTER 2, 2006

Lecturer-In-Charge: Dr. Stéphane Mahuteau

Lecturers: Dr. Stéphane Mahuteau & Mr. Roger Tonkin

Contact Details:
Stéphane Mahuteau, Bldg E4A room 528, phone: 9850-8489, Email: smahutea@efs.mq.edu.au
Roger Tonkin, Bldg E4A, room 524, phone: 9850-8494 , Email: rtonkin@efs.mq.edu.au

The first five lectures will be given by Mr. Roger Tonkin, and the remaining lectures by Dr. Mahuteau.

Objectives of the course:

The aim of this course is to introduce students to econometric modelling, keeping the focus on applications to actual economic issues in order to give students the tools for conducting their own econometric analysis.

The first part of the course will focus on introducing the basic tools for estimating economic models and dealing with the violations of the assumptions of the classical model. The second part will extend to more specific topics and techniques to deal with qualitative and limited dependent variables.

LECTURES:

One three-hour lecture per week: Tuesday 6pm-9pm
LOCATION: C5A 313

PRESCRIBED TEXTBOOK:

Stock J.H., Watson M.W., *Introduction to Econometrics*, Pearson Education International Edition, 2003, ISBN: 0-321-22351-9.

ADDITIONAL REFERENCE BOOKS:

Greene W.H., (2003), *Econometric Analysis*, (5th edition), UpperSaddle River, NJ: Prentice Hall.
Berndt E.R., (1991), *The Practice of Econometrics: Classic and Contemporary*, Addison Wesley.
Gujarati D., (1999), *Elements of Econometrics*, 2nd edition, McGraw-Hill Irwin
Gujarati D., (2006), *Elements of Econometrics*, 3rd edition, McGraw-Hill Irwin
Gujarati, D.N., (2003), *Basic Econometrics*, 4th edition, McGraw-Hill Irwin.
Kennedy P., (2003), *A guide to Econometrics*, Blackwell publishing.
Studenmund A.H., (2006), *Using Econometrics: a Practical Guide*, Fifth Edition
Dougherty C., (2003), *Introduction to Econometrics*, Second Edition

Econometric Computing Software:
Whistler D., K.J. White, S.D. Wong, and D.Bates, *SHAZAM, Econometrics Software (Version 10) : User's Reference Manual*, 2004, Northwest Econometrics

Copies of the SHAZAM (Version 10) software are available on the WebCT site dedicated to ECON835.

ASSESSMENT:

- Two Econometric projects (40%): One due after the mid semester break and the second one due on Week 13.
- A final examination (60%)

LECTURE TOPICS (Subject to Change)

Lecture 1: Linear regression analysis with multiple regressors: Estimation and Inference.
Lecture 2: Non-linearities + introduction to Shazam
Lecture 3: Multicollinearity
Lecture 4: Auto-correlation
Lecture 5: Omitted variables + Applications with Shazam
Lecture 6: Heteroscedasticity
Lecture 8: Dummy and interaction variables
Lecture 7: Model specification and diagnostic testing + Shazam applications
Lecture 9: Identification problems
Lecture 10: Simultaneous equation methods
Lecture 11: Maximum likelihood estimations
Lecture 12: Binary and multinomial Logit/ Probit
Lecture 13: Selection problems and/or Tobit estimations