Department of Economics

Stockholm University

Syllabus

for course at first level

Empirical Methods in Economics 2
Empirical Methods in Economics 2

7.5 Higher Education Credits
7.5 ECTS credits

Course code:	EC2404
Valid from:	Autumn 2010
Date of approval:	2010-05-27
Department	Department of Economics
Subject	Economics

Decision

This syllabus was approved by the Board of the Department of Economics on November 28, 2007. Rev 2010-05-27.

Prerequisites and special admittance requirements

Economics I, 30 credits, and Empirical Methods in Economics I, 7.5 credits, or equivalent.

Course structure

Examination code	Name	Higher Education Credits
240A	Empirical Methods in Economics 2	7.5

Course content

The aim of this course is to provide a deeper understanding of the statistical methods needed in order to analyse economic problems empirically. The course covers OLS, panel data, IV, and natural experiments, i.e. the analytical tools, concepts and intuition needed to perform more qualified empirical studies in economics.

Learning outcomes

Upon completion of this course, the student is expected to be able to:

• Understand the potential and the limitations of regression analysis;

• Understand the potential and the limitations of panel data;

• Understand the motivation for instrumental variable analysis;

• Understand when and how calculations about causal effects are necessary and appropriate.

Education

Instruction is given in the form of lectures and group work. The language of instruction is English.

Forms of examination

The course is examined on the basis of two written group assignments and a final examination.

Students will receive letter grades on a seven-point scale related to the learning objectives of the course: Passing grades are A, B, C, D and E, where A is the highest grade and E the lowest. Failing grades are F and

Fx, where F is lower than Fx.

Assessment criteria:

• A (Excellent): Able to independently carry out an empirical project using regression analysis and interpret the results from an independently identified problem. Able to discuss the strengths and weaknesses of regression analysis, as well as clearly relating the specified problem to the empirical analysis.

• B (Very Good): Able to independently carry out an empirical project using regression analysis and interpret the results. Able to discuss the strengths and weaknesses of regression analysis, as well as showing a clear relation between the specified problem and the empirical analysis.

• C (Good): Able to independently carry out an empirical project using regression analysis and interpret the results. Showing understanding of the strengths and weaknesses of regression analysis.

• D (Satisfactory): Able to independently carry out an empirical project using regression analysis and interpret the results.

• E (Adequate): Able to carry out an empirical project using regression analysis and interpret the results to some extent.

• Fx (Inadequate): Fulfils the requirements for E, but has not handed in all written assignments.

• F (Totally Inadequate): Does not fulfil the requirements for E.

If students fail a course unit and receive the grade Fx or F on an examination, there are no restrictions on how many times they are allowed to retake the examination in order to obtain a grade of E or higher.

Interim

If this course is discontinued, students have the right to be examined on the course once per semester for three further semesters.

Limitations

This course may not be included in a degree together with any of the following courses: NE2010 Fortsättningskurs i nationalekonomi (30 ECTS credits), NE2300 Fortsättningskurs i nationalekonomi på ekonomlinjen (30 ECTS credits), NE2400 Fortsättningskurs i nationalekonomi för matematik-ekonomilinjen (30 ECTS credits), NE2410 Fortsättningskurs i nationalekonomi för matematik-ekonomilinjen (22.5 ECTS credits), NE2500 Fortsättningskurs i samhällskunskap med inriktning mot nationalekonomi (30 ECTS credits), KG8140 Fysisk och ekonomisk planering med statistik - inriktning nationalekonomi (60 ECTS credits) or NE2017 Empiriska metoder (7.5 ECTS credits).

Required reading

• Stock, J. H. & M. W. Watson, Introduction to Econometrics, Pearson Education, the latest edition.