

Econometrics II

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CERGE-EI
Lectures 6 and 7

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Lecture 6 / Topics

Topics covered:

I Overview of the CEV and OPE

II Solutions to OVB and CEV in X

- Proxy
- Instrument Variable (IV)

III Sample selection

- Missing at random
- Exogenous selection
- Endogenous selection

Lecture 6 / Resources

Wooldridge (2003): Intro. Econometrics (9.2; 9.4; 15.1)

Green (2003): 4.9.2

Cameron, Triverdi (2005): Ch.27 (optional)

Lecture 7 / Topics

Topics covered:

I Panel Data

II Heteroscedasticity

- Group-wise heteroscedasticity
- Within group (serial) correlation
- Group-wise correlation (across groups)

III Unobserved effects model

IV Test for the presence of random effects

Lecture 7 / Resources

Wooldridge (2003): Intro. Econometrics (Ch.13, Ch.14)

Wooldridge (2002): Advanced (6.3, 7.8, Ch.10)

Green (2003): Ch.13

Cameron, Triverdi (2005): Ch.21 (optional)