Econometrics **Fall 2009**
ECON 616 **Class time: TR 8:30-9:55**
Meeting place: FA 344

Instructor: Subal C. Kumbhakar
Office: LT 1009, Office hrs: TR 1:15-2:45
Phone: 7-4762, E-mail: kkar@binghamton.edu
Course web page : http://bingweb.binghamton.edu/~kkar/econ616/econ616.html

TA: Wei-Wei Liu, Office hrs: TBA

Course Objective: This course provides a through development of the basic linear regression model used widely in economic applications. The main focus is on estimation, properties of estimators, and hypothesis testing. The course is heavily inclined towards theory. However, there will be some "hands on" computer assignments. These assignments will provide you an initial opportunity to develop skills to conduct and understand empirical work. You need to know how to use SAS/STATA.

Note: Make sure that you read and understand Appendix A of G (Greene) and/or JD (Johnston and DiNardo).

<u>**TOPIC**</u>	<u>**Text**</u>
I. Multiple Regression Model	Chapter 3 (JD), Chapters 2- 5 (G)
A. Specification	
B. Estimation	
C. Finite Sample Properties and Statistical Inference	
D. Prediction	
II. Extensions	
A. Dummy Variables	Chapter 4 (JD), Chapters 6-7 (G)
B. Structural Change	
C. Specification Errors	
III. Introduction to Asymptotic Theory	Chapter 5 (JD), Appendix D (G)
IV. Nonlinear Regression	Chapter 11 (G)
V. Generalized Least Squares	
A. Non-spherical Disturbances	Chapter 8 (G)
B. GLS and FGLS	Chapter 5 (JD)

	C. Sets of Regression Equations	Chapter 10 (G)
	D. Grouped Data	
	E. Heteroscedasticity	Chapter 6 (JD), Chapter 8 (G)
	F. Autocorrelation	Chapter 6 (JD),Chapter 19 (G)
VI.	Multicollinearity	Chapter 4.8 (G)
VII.	Stochastic Regressors/Lagged Dependent Variables	Chapter 19.9 (G)
VIII.	System of Regression Equations	Chapter 10 (G)
IX.	Simultaneous Equations	Chapter 13 (G)
X.	Generalized Method of Moments	Chapter 10 (JD), 15(G)

Required Texts:

Johnston and DiNardo, Econometric Methods, 4th Edition, McGraw Hill, 1997.
Greene, W. H., Econometric Analysis, 6th edition, Prentice Hall, 2008.

Recommended Texts:
Kennedy, P., A Guide to Econometrics, 6th Edition, Blackwell, 2008.

Course Grade Determination: Homework (won't be graded), Midterm (50%) and final exam (50%). The final grade will be based on a composite score using the above formula.

Exam Dates: Midterm Nov 3 (??)
Final TBA