

27429 - Econometrics III

Syllabus Information

Academic Year: 2021/22

Subject: 27429 - Econometrics III

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 417 - Degree in Economics

ECTS: 6.0

Year: 4

Semester: First semester

Subject Type: Compulsory

Module:

1. General information

2. Learning goals

3. Assessment (1st and 2nd call)

4. Methodology, learning tasks, syllabus and resources

4.1. Methodological overview

The teaching method for the subject "Econometrics III" implies the use of different techniques aimed at the achievement of specific objectives.

The part of the subject that deals with more theoretical and methodological issues will be presented in lectures. In these sessions, the teacher will explain the main concepts of the econometric method, stressing economic interpretation and practical uses. To support knowledge in econometric method, we will introduce regular theoretical-practical sessions in which the students, supported by the teacher, will solve small problems or study cases with the purpose of illustrating the use of the instruments previously studied.

To stress the practical dimension of the subject, students will work with different software packages which deal with the search and use of useful statistical information and its treatment for econometric purposes. This work will be regularly distributed throughout the course in sessions specifically aimed at the use of econometric software.

4.2. Learning tasks

The syllabus of "Econometrics III" consists of the following activities:

Theoretical sessions: They make up, approximately, 50% of the teaching activities and they are aimed at presenting the main concepts of the subject, conveniently structured into units. The teacher will formally present the corresponding material, which students have to strengthen and extend using the recommended bibliography. We recommend students to attend lessons, participate, take notes about the teachers' explanations as well as asking about any doubts and further explanations they might need.

Theoretical-practical sessions: The teacher will provide students with a problem collection, as well as theoretical-practical questions related to the subject, well in advance. The main purpose of this material is for students to feel confidence with the use of all the instruments involved in the theoretical perspective of this course.

Practical sessions in the computer lab: This activity will be developed in the computer rooms that the Centre has reserved for the subject. The objective is twofold. On the one hand, we aim at getting students used to managing large amounts of quantitative information, which is a key aspect for their skills. On the other hand, it is important for students to gain confidence in the use of econometric software, at user level. In these sessions, practical cases will be solved by the teacher, who will guide the students' learning process.

The learning method is designed for sessions in a classroom. However, if it were necessary, due to the health situation, the sessions would be online.

Tutorial: The teacher will schedule a tutorial calendar which will be published well in advance, with the objective of solving individual doubts and offering a more direct support to students.

4.3. Syllabus

Unit 1. Evaluation and selection of econometric models.

Regression General Linear Hypothesis Test.

MCG estimators.

Selection criteria.

Unit 2. Stochastic Regressors.

Origin of stochastic regressors.

Consequences of stochastic regressors.

Solution to stochastic regressors.

Hausman test.

Unit 3. Dynamic Models.

Types of dynamic models.

Impulse-response effects on short-and long-term models. Estimation and test of dynamic models.

Extensions of the ARDL.

Unit 4. Simultaneous Equations Models.

Types and formulation of simultaneous equations.

The problem of identification.

Estimation of simultaneous equations.

Uses and limitations of simultaneous equations.

Unit 5. VAR Models.

Approach and estimation of VAR models.

Causality Test between variables and Specification Test.

Impulse-response functions.

Variance decomposition.

Unit 6. Econometric Models with Non-stationary Variables.

Types of trends in the time series.

Identification of integrated processes.

The danger of spurious regression.

4.4. Course planning and calendar

The subject of Econometrics III has assigned a total of 150 hours (6 credits ECTS), which are structured into 75 class hours and 75 non-class hours. With respect to the first, 30 will have a theoretical content, 30 will be devoted to practical lessons and the remaining 15 will be tutorials. The distribution of the lessons among the four units of the syllabus will depend on their complexity. In general terms, teachers will adopt the following schedule:

Table 1. Hours in Econometrics III

| | T1 | T2 | T3 | T4 | T5 | T6 | Total |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Theoretical sessions | 4 | 6 | 6 | 4 | 6 | 4 | 30 |
| Blackboard sessions | 2 | 1 | 2 | 2 | 2 | 1 | 10 |
| Computer lab sessions | 2 | 5 | 2 | 4 | 4 | 3 | 20 |
| Tutorials | 2 | 2 | 3 | 2 | 3 | 3 | 15 |
| Total sessions | 10 | 14 | 13 | 12 | 15 | 11 | 75 |

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of independent learning in Econometrics III

| | T1 | T2 | T3 | T4 | T5 | T6 | Total |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Individual study | 6 | 8 | 6 | 8 | 9 | 8 | 45 |
| Individual practical work | 4 | 5 | 5 | 5 | 6 | 5 | 30 |
| Total hours | 10 | 13 | 11 | 13 | 15 | 13 | 75 |