OVERVIEW
The goal of this course is to provide an understanding of the econometric theory that underlies common econometric models. The focus is on the regression model and its extensions. Portions of the course will cover topics students have seen before, but these will be covered in greater depth. After taking this course, students should be able to:

1. Choose appropriate models and estimators for given economic applications.
2. Interpret regression model estimates.
3. Diagnose potential problems with models and know how to remedy them.
4. Possess a sufficient grounding in econometric theory to begin advanced work in the field.

The textbook for this course is Greene, W. H., "Econometric Analysis," 5th or 6th edition, Prentice Hall, plus a few additional readings. The following syllabus gives 5th and 6th edition chapters in Greene.

SYLLABUS
1. Regression vs correlation and causes.
2. Finite Sample Properties of Estimators. G Appendix C
5. Specification issues: multicollinearity, coefficient interpretation, dummies. G fifth edition 7,8 or sixth edition 6,7
8. GLS, non-iid errors (autocorrelation and heteroskedasticity) G fifth edition 10,11,12 or sixth edition 8, 19.
10. IV and 2SLS estimation, endogeneity and simultaneity. G fifth edition 5,14,15 or sixth edition 10, 12, 13.
   Possible additional topics, time permitting:
   Extremum estimators, discrete dependent variable models G fifth edition 21, 22, or sixth edition 23, 24.
   Panel Data models G fifth edition 13 or sixth edition 9.

Other books you may find useful for additional reading are:

GRADING: midterm: 50%, Final: 50%.