The topics covered in this course are largely independent of those presented in 683, but a solid knowledge of the classical regression model in matrix form is presumed. The major topics to be covered here are simultaneous equations models and time series (ARIMA) models and their applications.

One midterm examination on the simultaneous equations models will be required, and this will count towards 30% of the final course grade. The remainder of the course grade will be based on a combination of projects, with sufficient flexibility to meet the interests of most members of the class.

Fifty percent of your grade will be based on a term paper. This paper must include a discussion of some advanced econometric theory, presenting readings in books or articles which go beyond the assigned readings. This paper should also most likely include applied work of your own design. Acceptable topics can be found in any part of the econometric literature, and Maddala's Econometrics, Judge, et.al., The Theory and Practice of Econometrics, The Journal of Econometrics, Econometrica and the course syllabus are possible sources of ideas. A detailed proposal including an outline of your work and some references, is due February 14. The final paper is due May 9 with a 10% penalty for late papers. (5% for papers submitted by May 21; 10% for papers submitted between May 21 and August 1)

The remaining 20% of your grade is based on either a class presentation or an applied time series project. Some of the course topics, particularly in the methodology section, are suitable for class discussions, and individual students or groups may choose one of these for a presentation. The time series project will be explained in more detail during that section of the course.

Course Materials


Readings and Topics

I. Simultaneous Equations Models
Judge, Chapters 12,13
II. Methodology

Judge, et al. Chapter 22.

III. Time Series Models and Forecasting


IV. Causality Testing


V. Multiple Time Series Models