

Introduction to Empirical Economics

Lecturers: Michael Rosholm and Bezirgen Veliyev

Why should one take this course?

The course is **very beneficial** for students who are interested in one of the following 4 cand.merc. programs:

- **International Economic Consulting,**
- **Business Intelligence,**
- **Finance,**
- **Finance and International Business.**

- 1) Indeed, each of these programs has one (or even two) mandatory econometrics/statistics courses. Hence, taking this course during your bachelor's program lays a **solid foundation** for your master's program.
- 2) In addition, students have to write an empirical project in the course. This is a very good preparation for **writing bachelor's thesis.**

What is the course about?

This is the continuation of the **Quantitative Research Methods** course. The main methodology is the **linear regression** using 3 kinds of data:

- cross sectional data,
- time series data,
- panel data.

The course deals with many empirical examples in business, real estate, finance, education, labor, health, crime. For example, we could ask: what is the impact of

- giving a scholarship (e.g. SU) to university students on their educational achievements?
- reducing the amount of unemployment benefits on job seekers labor market attachment?
- a particular marketing strategy on the sales of a product?
- today's interest rate on tomorrow's interest rate?

Lectures

Lectures:

- 12 weeks of lectures (each 4 hours).
- The textbook is "Introductory Econometrics", 7th ed, Wooldridge.
- 2 weeks are allocated for the supervision meetings concerning the empirical project.
- Exercises from textbook will be posted bi-weekly and their solutions will be provided. However, there will be no tutorials.

Data and Statistical Software

Data and STATA

- The statistical analysis with various datasets is the crucial aspect of the course.
- The course uses the **STATA** statistical software, which is very user friendly and easy to learn.

Empirical Project

Requirements on Empirical Project:

- It can be carried out alone or in a group of maximum 3 students.
- It should not be longer than 36.000 characters (incl. blanks).

Additional Comments:

- Students can choose their own project topic, and get support from the lecturers during the process.
- The feedback from students indicates that they learn of a lot while writing their projects.
- It also serves as a good preparation for bachelor's thesis.

Some Examples of Projects from 2019:

- Effects of 1998 Danish reform about unemployment benefits
- Effects of introducing interest only loans on Danish housing prices
- Predicting apartment prices in Copenhagen
- Impact of social media following on football transfer prices
- Attitudes towards immigrants: differences in regions of Denmark
- Effects of school qualities on neighboring house prices

Exam

The final exam is 20 minutes oral exam:

- The first part is questions/answers about the empirical project.
- The second part is questions/answers about the curriculum.

Although HA/BScB students are not familiar with the oral exam format, most students performed better than their expectations during Autumn 2019 semester.

Questions

Do you have questions? Please contact Micheal Rosholm via rom@econ.au.dk or Bezirgen Veliyev via bveliyev@econ.au.dk.