

Organisation

- Office hours: thuesday 5pm-6.30pm room 302.
- Web page with materials related to the lecture:

<http://www.ekonometria.wne.uw.edu.pl>

- Problems (polish versions): Mr Krzysztofik room at the department
- Exam - written

- mid term (in February) - 1st semester (not obligatory)
 - final (in June) - 1 i 2 semester.
- Exam form:
 - only students who attended the problem sessions will be admitted to the exam
 - exam has two parts, each related to one semester, to pass the exam it is necessary to pass both parts
 - each parts take 90 min and consist of
 - * 4 teoretical questions from list of exam questions (can be modified)
 - * 2 problems from problem set (numbers can be modified)
 - * 1 problem out of the problem set

- necessary conditions for passing is
 - * solve one problem for *each* semester
 - * correct answer on two questions for *each* semester
- Criteria for final grade (one for two semesters):
 - it is calculated as a mean of 1st semester, 2nd semester grade and mean of grades from problem sessions
 - in case of failing one of the semester in June, students have a second chance to pass it in September
 - in case of failing in September both semester have to be repeated
- Problem sessions

- same program in all the groups apart from specialization
Computer Science and Econometrics
- changing groups for problem sessions only possible with permission of the Dean Office
- presence at problem sessions is obligatory, and is verified on the basis of short quizzes at the beginning
- quizzes consist of questions given at the end of lecture
- at the end of each semester there will be a test with problems from the problem set
- final grade from problem sessions consist of 40% final test grade, 20% quizzes, 40% empirical paper
- the most important aim of the problem sessions is to teach how to use in practice the econometric tools

- all students has to submit one empirical paper in each semester
 - empirical papers can be written in groups consisting of at most 2 persons
 - authors of 7 best empiricals papers in semesters will be exempted from the exam in this semester given they get at least 4 from the final test at problem sessions
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- Software: only empirical papers done with STATA will be accepted

Books

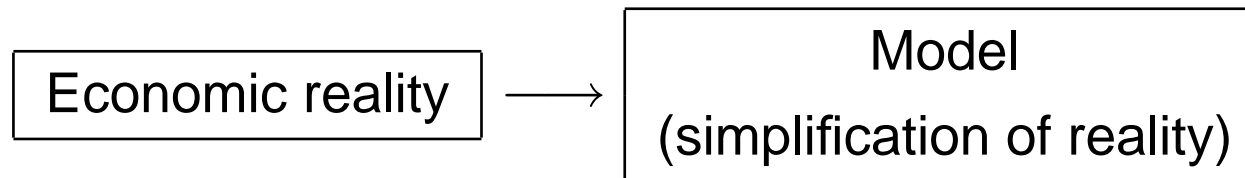
- In Polish
 - **Skrypt do wykładu**
 - **Zadania do wykładu**
 - **Slajdy do wykładu**
 - Goldberger (1972)
 - Theil (1979)
 - Welfe (1995)
 - Chow (1995)
- In English

- **Slides to the lecture**
- **Problem Set**
- **Greene (2003)**
- Gujarati (1988)
- Steward (1991)
- Davidson (1993) (advanced)

Subject of econometrics

- Econometrics covers
 - estimation of quantitative relationships between economic variables
 - empirical testing of economic theories
- Theoretical econometrics: developing estimation methods
- Applied econometrics: estimation of economic relationships with econometric tools

What is the model?



- Construction and estimation of the models make possible to discover important features of economic reality

- **Example** (Data Polish Statistical Office - December 2002)

category	mean wage
men	2515 zł
women	2022 zł

- Number of observations: 6717

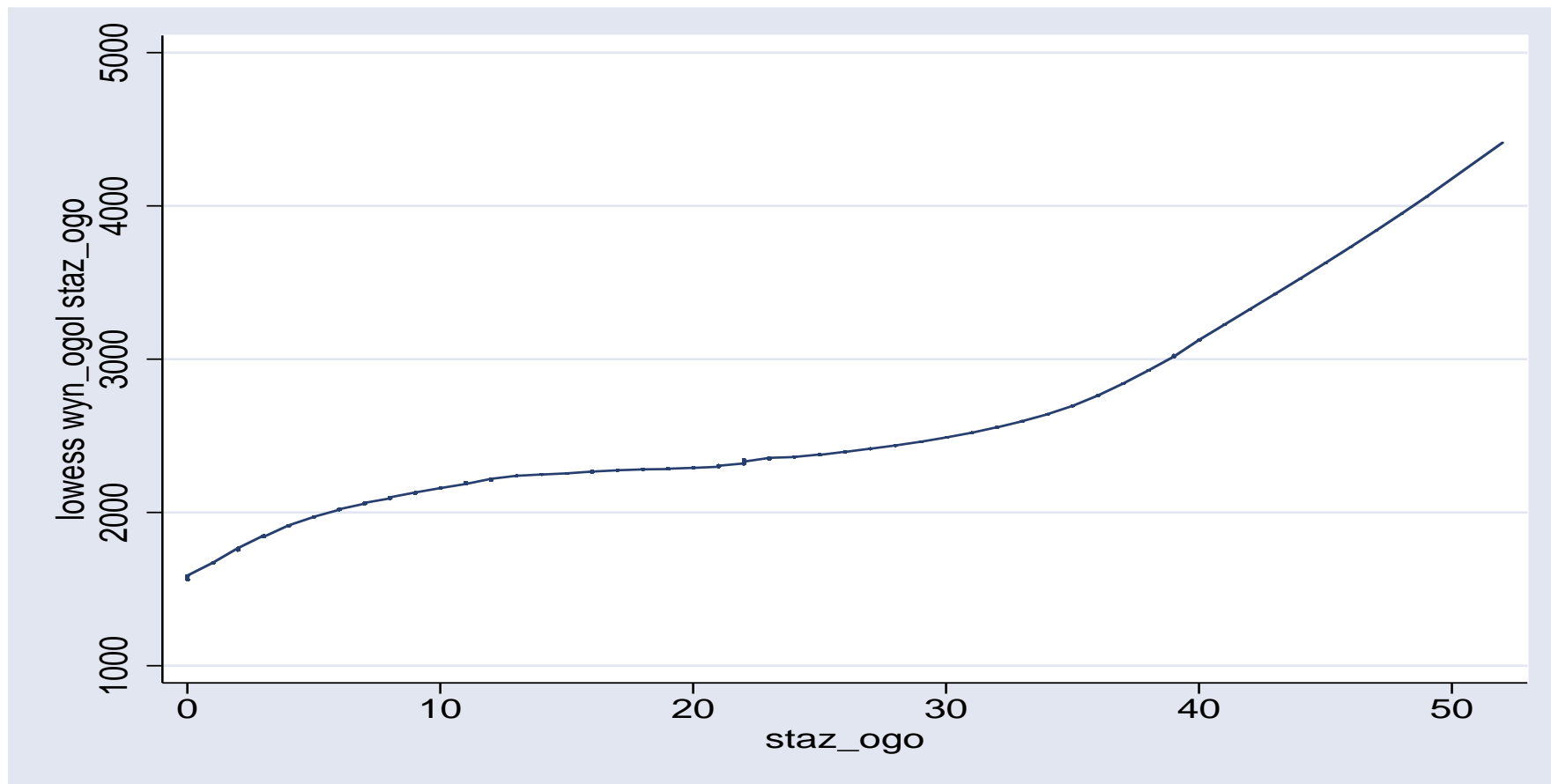
category	mean wage
men	18.79 lat
wamen	18.35 lat

- Influence of the work experience and sex:

Influence	Coefficient
additional year of experience	21.6
being woman	-435.4

- Influence of the work experience, sex and education

Influence	Coefficient
additional year of experience	32.1
being woman	-746.0
education	(we omit these coefficients)



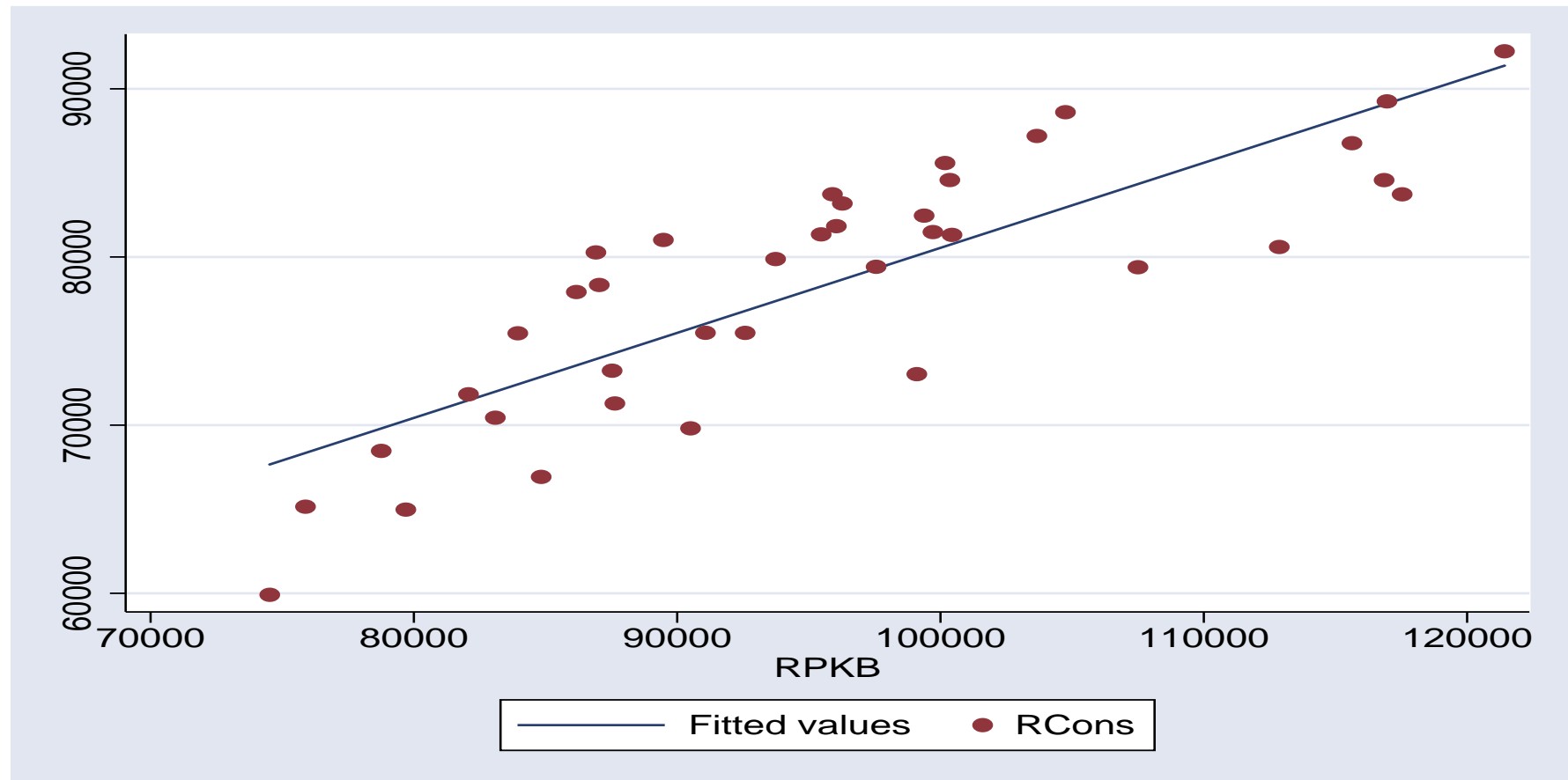
Econometric model (role of theory)

- linear form of the model

$$C = \beta_0 + \beta_1 Y$$

- $0 < MPC < 1 \implies 0 < \beta_1 < 1$
- $APC \searrow \implies \beta_0 > 0$
- Interpretation of β_1 - MPC

- Polish data years 1995 – 2004, CPI deflator



$$C = \beta_0 + \beta_1 Y + u$$

- Estimates (for GDP in mln zł from year 1995):

Parameter	Estimate
b_0 (constant)	29967.15
b_1 (<i>MPC</i>)	.51