Philipps-Universität Marburg

School of Business & Economics

Macroeconomics Group

Seminar summer semester 2021

'Selected topics in empirical economics'

Seminar description

As part of your studies in economics you acquired knowledge about a large number of economic theories. In this seminar, you will attempt to test some of these theories using empirical data and statistical methods. While doing that, you will get to know important aspects of empirical research: (1) deriving hypotheses from theoretical models, (2) collecting relevant data, (3) specifying statistical hypotheses based on the economic hypotheses, (4) applying statistical methods, (5) interpreting the results of your empirical analysis, and (6) documenting your findinds for other interested persons.

Language and registration

- The seminar is conducted in English.
- In order to register for this seminar send an email to Israel García (domingui@staff.Uni-Marburg.de) indicating your full name and matriculation number.

Examination and dates

- The kick-off meeting takes place <u>online</u> on a **date TBD**. Please note that participation is obligatory!

- Examination: essay (8-10 pages excluding list of references), exposé (ca. 2 pages), presentation (ca. 20 minutes) and discussion of another presentation (ca. 5 minutes).

- The grade that you get for your essay determines your overall mark for the seminar. Exposé, presentation and discussion are study requirements, which means that you have to pass them in order to obtain the ECTS for the module.

- You have to submit the exposé until **Monday, 26 April 2021, at 12:00 hours** via email. Please send a pdf-file per email to Israel García (domingui@staff.Uni-Marburg.de). The exposé should contain the preliminary results of your literature research, data research and planned statistical methodology.

- You have to submit your essay until **Friday, 18. June 2021, 12:00 hours**. Again, submit the essay in the form of an pdf-file per email to Israel García (domingui@staff.Uni-Marburg.de). In your essay, you document the theoretical background, the empirical methodology (data sources and transformation, model specification and estimation method) and the results of your empirical research.

- Please submit your data (raw data as well as transformed data) together with your essay in some sort of spreadsheet file (Excel, Stata,…).

- The seminar itself takes place in blocked form on two days: **Thursday, 24 June 2021, 09:00-17:00** and **Friday, 25 June 2021, 09.00-17.00** (room to be determined). During the seminar, you present your research and comment on other students' work.

- You will also discuss one other essay in more detail as part of your examination. As a discussant, you are supposed to, very briefly, review key findings and then to highlights potential problems with the analysis as well as provide some impulses for the general discussion.

Other important information

- The maximum number of participants is 16.

- There will be more information provided in Ilias.

- **Participation in the seminar meetings is compulsory**. In case a meeting is missed, you automatically fail. An exception to this rule may be made if you can prove that you had a valid reason for not attending class, for example, illness or an accident. Note however, that an official document must be provided, for instance, in the form of a medical certificate.

- All seminar participants are expected to actively take part in the discussions. We grant bonus points for those who participate in an active way.

- Please note the information on writing seminar papers provided on our website (http://www.uni-marburg.de/fb02/makro/hinweise_seminararbeiten.pdf). Please spend some care on a structured presentation of the results of your empirical research.

- The individual steps of your empirical analysis should be documented in such a way that replication by a third party is possible. This implies that data sources and data transformations should be clearly documented.

- Essay, discussion, and presentation have to be in English.

- You can use the seminar for BSc-Economics modules 'Seminar Institutionenökonomie a' or 'Seminar Institutionenökonomie b'.

Introductory literature

You can use any textbook on econometrics, for example:

Kennedy, P. (2010), *A Guide to Econometrics*, Malden et al.: Blackwell Publishing.

Verbeek, M. (2012), *A Guide to Modern Econometrics*, Chicester: Wiley Publishing.

Wooldridge, J. (2013), *Introductory Econometrics: A Modern Approach*, Melbourne et al.: South-Western College Publishing.

List of topics

You can choose a topic from the following list (each topic can be chosen by a maximum of two students). It is up to you to focus your research on a particular country or group of countries.

Topics on empirical macroeconomics

1. Okun's law

Okun, A.M. (1962), Potential GNP: Its Measurement and Significance, Proceedings of the Business and Economic Statistics Section, *American Statistical Association*, S. 98–104.

2. The Phillips curve

Phillips, A.W. (1958), The Relationship between Unemployment and the Rate of Change of Money Wages in the United Kingdom 1861-1957, *Economica* 25, S. 283–299.

3. The Solow model

Sala-i-Martin, X. (1996), The Classical Approach to Convergence Analysis, *Economic Journal* 106, 1019–1036.

4. Development aid and growth

Burnside, C. and Dollar, D. (2000), Aid, Policies, and Growth, *American Economic Review* 90, 847–868.

Topics on monetary economics

5. The relationship between money and output

Hayo, B. (1999), Money-Output Granger Causality Revisited: An Empirical Analysis of EU Countries, *Applied Economics* 31, 1489–1501.

6. Money demand

Fair, R.C. (1987), International Evidence on the Demand for Money, *The Review of Economics and Statistics* 69, S. 473–480.

7. The Taylor rule

Clarida, R., Galí, J., and Gertler, M. (1998), Monetary Policy Rules in Practice: Some International Evidence, *European Economic Review* 42, 1033–1067.

Topics on political economy

8. Wagner's law

Hayo, B. (1996), Testing Wagner's Law for Germany: An Exercise in Applied Time Series Analysis; *Jahrbücher für Nationalökonomie und Statistik* 215, 328–343.

9. Is fiscal policy anti- or procyclical?

Lane, P.R. (2003), The Cyclical Behaviour of Fiscal Policy: Evidence from OECD Countries, *Journal of Public Economics* 87, 2661–2675.

10. Ricardian equivalence

Kochin, L.A. (1974), Are future taxes anticipated by consumers?, *Journal of Money, Credit and Banking* 6, 385–394.

11. Political business and budget cycles

Alesina, A., Cohen, G. D., and Roubini, N. (1992), Macroeconomic Policy and Elections in OECD Countries, *Economics and Politics* 4, 1–30.

12. Partisan effects in economic policy

Alesina, A., Roubini, N., and Cohen, G. D. (1997), *Political Cycles and the Macroeconomy*, Chapters 3, 4, and 6, Cambridge et al.: MIT Press.