Course Prerequisites:
Students should be familiar with the concepts presented in Economics 241A-C.

Course Requirements:
Students will be graded on a course presentation and a sequence of exercises. The course presentation is designed to extend the first-year econometrics paper into a research paper. Given your research problem, select an article from *Econometrica* that is appropriate for the problem. Describe and implement the methodology for your problem. Given the importance of preparing your first research paper, this constitutes 60 percent of your grade. The remaining 40 percent comes from the exercises, of which there are five. You may turn in the exercises at any time prior to March 10.

Course Textbooks:
**Required:**

**Recommended:**

References:
All texts listed above have been placed on reserve in the library.

Course Schedule

Week 1 (Wednesday, January 7):
Regression Overview
*Hamilton*: 8

Week 2:
Spurious Regressions
*Hamilton*: 18.3

Week 3:
Cointegration
*Hamilton*: 19

Week 4:
Deterministic Time Trends
*Hamilton*: 16

Week 5:
Autoregressions
*Hamilton*: 8.2.4, 11

Week 6:
Bayesian Analysis
*Hamilton*: 12

Week 7:
Nonlinearities in Financial Data
*Campbell*: 12
Week 8:
   Derivative Pricing Models
   *Campbell: 9*

Week 9:
   Presentations

Week 10:
   Presentations