
INTRODUCTORY ECONOMETRICS FOR BUSINESS STUDIES

Period: a.y. 2021/22 – I sem.

Class times Wed 08:30-11:50/
15:00-16:30

Instructor:

Prof. Luisa Gagliardi
Luisa.gagliardi@unibocconi.it

Course description

This course is designed to introduce students to the study of econometrics. It is structured such that students are stimulated to think about estimation approaches and emerging issues starting from the actual nature of the data they confront with. The scope of this approach is twofold. First, to make students familiar with the theoretical aspects associated to each estimation approach, second to make students able to apply such methods to real data and identify the best estimation approach for the specific research question(s) they want to address. To this scope, each class is paired with a practical session in which students will get familiar with applications of the revised methodologies and put their hands on the data.

Course Material

Classes will be based on selected papers and the following main textbook (downloadable online):

Wooldridge, J.M. (2012). *Introductory Econometrics: A Modern Approach*, Fifth Edition, South Western Cengage Learning

Practical sections will make use of the following manual (downloadable online):

Cameron, A.C. and Trivedi, P.K (2009). *Microeconometrics Using Stata*, Stata Press

Tentative list of topics

Class 1. The scope of econometric analysis and the nature of econometric data. A primer on regression analysis.

Practice 1. Exploring the nature of econometric data: types of data.

Class 2. Multiple Regression Analysis with Cross-Sectional Data.

Practice 2. Basic regression analysis using Stata.

Class 3. Further issues in regression analysis: Specification and data issues, functional forms, interaction terms, control variables and binary regressors.

Practice 3. Variables' construction and interpretation.

Class 4. Binary dependent variables and sample selection correction.

Practice 4. Logit, Probit and Linear Probability Model. Heckman correction.

Class 5. Adding the time dimension: Pooling cross sections and panel data.

Practice 5. Linear panel data models.

Class 6. Regression and Causality: Main issues and possible solutions. A focus on Instrumental Variables (IV).

Practice 6. IV estimation in cross section and panel data.

Assessment Methods.

Students' evaluation will be based on a final written exam (40%), a group project they will develop during the course (40%) and class participation (20%). Effective class participation includes class attendance and participation

Faculty Bio.

Luisa is Assistant Professor at Bocconi University's Department of Management and Technology since September 2019. She also Research Fellow at ICRIOS (Bocconi) & CEP/SERC (LSE). Before joining Bocconi, she was Assistant Professor at the University of Geneva and Research Fellow at the LSE.

Her research is primarily at the interplay between strategy and economic geography. She examines how distance – both physical and temporal - affects firm strategies and individual outcomes.

A secondary stream of research explores the role of diversity in business – in terms of gender, ethnicity, education background, occupational characteristics, geographical sorting behavior – and its effect on labor market outcomes.