

# Empirical Microeconomics

## Spring, 2010 (Quarter III)

Mårten Palme's part.

I will cover four topics:

1. Binomial choice models.
2. Censoring and sample selection models.
3. Multinomial choice models.
4. Duration analysis.

### Litterature:

#### 1. Binomial choice models.

Anderson, S., A. de Palma, J. Thisse (1992) "Discrete Choice Theory of Product Differentiation". MIT press. Chapter 2.

W. Greene, (2008) "Econometric Analysis" Prentice-Hall International. Chapter 23.

J. Wooldridge (2002) "Econometric Analysis of Cross Section and Panel Data" The MIT Press, London, England. Chapter 15.

K. Train "Discrete Choice Methods with Simulations" Cambridge University Press.

Horowitz, J. L. and N.E. Savin (2001) "Binary Response Models: Logit, Probits and Semiparametrics" Journal of Economic Perspectives, 15(4), 43-56.

#### 2. Censoring and sample selection models.

J. Wooldridge (2002) "Econometric Analysis of Cross Section and Panel Data" The MIT Press, London, England. Chapter 16-17.

W. Greene, (2008) "Econometric Analysis" Prentice-Hall International. Chapter 24.

Heckman, J. J. (1997) "Instrumental Variables: A Study of Implicit Behavioral Assumptions in one Widely Used Estimator", Journal of Human Resources 32, 441-462.

Willis, R. and S. Rosen (1979) "Education and Self-Selection", Journal of Political Economy 87, 507-36.

Björklund, A. and R. Moffit (1987) "The Estimation of Wage Gains and Welfare Gains in Self-Selection Models", The Review of Economics and Statistics 69, 42-49.

Garen, J. 1984. "The Returns to Schooling: A Selectivity Bias Approach with a Continuous Choice Variable." *Econometrica*, 52: 1199-1218.

Garen, J. (1988) "Compensating Wage Differentials and the Endogeneity of Job Riskiness", *The Review of Economics and Statistics* 70, 9-16.

### **3. Multinomial choice models.**

Anderson, S., A. de Palma, J. Thisse (1992) "Discrete Choice Theory of Product Differentiation". MIT press. Chapter 2.

W. Greene, (2008) "Econometric Analysis" Prentice-Hall International. Chapter 23.

Kenneth Train "Discrete Choice Methods with Simulations" Cambridge University Press.

Boskin, M. (1974) "A Conditional Logit Model of Occupational Choice" *Journal of Political Economy*, 82, 389-398.

Schmidt, P. and R. Strauss (1975) "The Prediction of Occupations Using Multiple Logit Models". *International Economic Review*, 16, 471-486.

### **4. Duration analysis.**

J. Wooldridge (2002) "Econometric Analysis of Cross Section and Panel Data" The MIT Press, London, England. Chapter 20.

N. Kiefer (1988) "Economic Duration Data and Hazard Functions" *Journal of Economic Literature* 26, 646-679.

van den Berg, G J. (2000). "Duration Models: Specification, Identification, and Multiple destination". in *Handbook of Econometrics*, V (eds. J. Heckman and E. Leamer. North Holland, Amsterdam.