
Graduate Connection

Vol. 5 No. 2
December 1999

INSIDE

<i>From the Department Chair</i>	1
<i>Teaching Matters</i>	2
<i>From the Director of Graduate Studies</i>	4
<i>From the Graduate Secretary's Office</i>	4
<i>Funding</i>	5
<i>Notes</i>	6

Happy Holidays!

The faculty and staff extend their best wishes for a happy holiday season. The University will be officially closed on Friday December 24th, Monday 27th, Thursday 30th and Friday 31st. Our offices, Y2K permitting, will be open on Monday and Tuesday January 3rd and 4th. The winter quarter commences on Wednesday January 5th.

From the Department Chair . . .

IO center formed

I am delighted to announce the formation of the Center for the Study of Industrial Organization within the Department of Economics. The purpose of the center is to support the research activities and enhance the intellectual life of the large community of scholars at Northwestern whose research is related to industrial organization. Center funding will be used to attract short and longer term visits by faculty from other universities, to help support conferences at Northwestern related to industrial organization, to maintain a web page and working paper series, and to provide funding for a limited number of graduate students near the completion of their Ph.D. The first dissertation-year awards for 1999/00 were announced in September. Congratulations to **Hiroshi Ohashi, Federico Ciliberto, Jean-Pierre Dubé, Andrew Cohen, and Chuck Moul.**

The center is also in the process of establishing links with the IO group at Toulouse, to support an exchange program of faculty and students and perhaps to sponsor joint conferences.

The directing committee for the Center will initially consist of **Robert Porter,**

William Rogerson, and Michael Whinston.

The Center will publish a series of working papers and make these electronically available to the world at large through its web site. They welcome submissions from all Northwestern faculty and graduate students conducting research related to industrial organization. The Center will have a physical mailbox in the Department of Economics. If you have a paper you would like to include in the first set of working papers, please submit three hard copies to the Center. The Center's administrative assistant will then contact you to arrange submission of an electronic copy for the web-site.

The Center should have its web site up and running. If you wish to know the URL, or if you want to be on the Center's electronic mailing list for e-mail announcements of new working papers and other Center activities, send an e-mail message to the Center at csio@nwu.edu.

Registration changes

The University has now changed to a new computer system for registration. Known as CAESAR, this will allow on-line registration, and automated drops and adds. Not all features of CAESAR will be available for the winter quarter, so I suggest that you read materials published by the Registrar's office in the course schedule, the Daily Northwestern, and on their web site carefully.

Course number changes

Another visible sign of the change in registration will be the course numbering system. From Winter Quarter 2000, class numbers will be changed from alphanumeric to just numeric numbers. A level classes will become 100 level (e.g. A01=101)

Graduate Connection
Department of Economics/NU

Published 3 times a year by:

Department of Economics
Northwestern University
2003 Sheridan Road
Evanston, IL 60208-2600

Mercedes Thomas, guest editor
847-491-5694
m-thomas@nwu.edu

B level classes will become 200 level
(e.g. B01=201)

C level classes will become 300 level
(e.g. C10-1=310-1)

D level classes will become 400 level
(e.g. D11-2=411-2)

E level classes will become 500 level
(e.g. E01=501)

In addition the code for the Economics Department will change from "0417" to "ECON."

Deidra Morgan

As many of you may know, **Deidra Morgan**, an Economics staff member who worked in the Math Center, passed away in early October after an extended illness. Deidra had given eleven years of service to NU. The Department and the Math Center are currently searching for a new staff member who will have a joint appointment.

Distinguished Teaching Assistants

At the start-of-year buffet on October 6, I was pleased to award the Distinguished Teaching Assistant Awards for 1998-99. The winners of a certificate and a year's subscription to *Econometrica* were **Craig Peters, Henry Siu, Jim Sullivan** (all re-awards), **Ariel Burstein, Tom Geraghty, Brad Heim, Nadav Levy, Jason Long, Jozsef Molnar** and **Zhixiong Zeng**. In addition, **Jim Sullivan** was also selected as Teaching Assistant Fellow, and did an exemplary job of leading the training sessions for new Economics TAs in September.

Departmental funding

The Graduate School and WCAS have agreed to provide funding for additional TAships to cover the "bulge" in qualified graduate students in years 2 through 4. In the near future, we will be issuing current TAs revised contracts extending their funding through the spring quarter. We remain committed to funding students who

meet our published funding guidelines and who perform satisfactorily in the classroom.

New prelims policy

Two years ago the Department faculty voted a clarification of its policy on written qualifying examinations ("prelims"). This policy applies to the entering classes of 1998 and 1999. This policy has implications as to whether you will be permitted to continue in the program if you do not make good progress. It will be strictly enforced. The text of the policy is available on our web page, and I urge new students to study it closely.

TA performance

Receiving funding as a Teaching Assistant is a privilege and not a right. We expect all of our TAs to make a good faith effort to do their best. We would like to make it known that exceptionally poor performance or unprofessional conduct will be grounds for your dismissal as a TA. The Department will do this even if you have met the other criteria for funding.

Building expansion

Construction has now started on the new north wing of Andersen Hall. The initial schedule suggested that construction will be finished in January 2001. However, this may be somewhat optimistic. Even when the new wing is finished, some time will be necessary to remodel the third floor space in the connector building between Andersen and Leverone that we will occupy. Some remodeling will also be necessary on the third floor of Andersen.

Therefore it seems likely that we will be moving into our permanent space sometime between March and September 2001. We have an agreement to occupy the space in Cresap at least until the summer of 2001. I will keep you informed about progress of the construction in future newsletters.

Teaching Matters . . .

Start of winter quarter

The first day of classes for winter quarter is Wednesday, January 5. The start of winter quarter overlaps with the American Economic Association annual meetings in Boston. However, as the meeting is from Friday through Sunday (January 7-9), we anticipate that there will be few changes in schedules. However, look out for announcements.

Course descriptions - winter 99/00

Economics 414-1

Economics of Information

Professor Wolinsky

TTh 11-12:50

FSL 2378

The course will survey central topics in the economics of information. Among the topics considered are: search theory, formal descriptions of information and knowledge, sorting, games of incomplete information with applications to bidding, bargaining and signaling, implementation and mechanism design, and reputation.

Economics 416-2

Advanced Macroeconomics

Professor Monge

TTh 8:30-10:20

KRG 221

This course covers topics of dynamic macroeconomic analysis, including equilibrium dynamic models with agent heterogeneity and dynamic contracts in presence of informational asymmetries and enforcement frictions. The required mathematical results of Markov processes and dynamic programming will be reviewed.

Also, we will briefly overview some computational techniques. With this material in place, in the second part of the course we will analyze a variety of issues in labor and financial markets, including the effect of government policy. Topics include: savings and consumption with idiosyncratic uncertainty, including

economies with monetary frictions; unemployment and unemployment insurance; firm dynamics, industry equilibrium; creation and liquidation of firms; international capital flows and, if time permits, human capital accumulation. Prerequisites: D11 1-3.

Economics 440-1

Economics of the Labor Market

Professor Taber

MW 9-10:50

ANN G32

This is the first course in a two semester sequence in labor economics. The second will be taught in the Spring by Professor Mortensen. The goal of this course is to synthesize theory, econometrics, and empirical work in labor economics. The emphasis of the course will be on the determinants of wages. Topics will include equalizing differentials, human capital, and the changing wage structure.

Economics 450-3

Industrial Organization & Prices

Professor Zheng

TTh 1-2:50

ANN 101

This course will focus on some current topics of auction theory. Auction theory has been very useful for empirical works, partially due to its explicit framework of incomplete information. The recent usage of auctions in the privatization and deregulation of many countries has stimulated new theoretical questions. The goal of this course is to generate research ideas by exploring part of the research frontier in auction theory.

Economics 460-2

International Economics

Professor Rebelo

TBA

TBA

This course provides a selective discussion of tools, models, and empirical issues in International Finance.

Topics covered include theory and evidence regarding exchange rate

determination, the dynamics of the real exchange rate, the forward premium puzzle, exchange rate based stabilizations, speculative attacks on fixed exchange rate regimes, and optimal hedging of foreign exchange exposure. Time and Room will be posted on the web at:

<http://www.kellogg.nwu.edu/faculty/rebelo/ftp/e20.html>

[Note: this course is cross listed from KGSM's Finance Department. However, Economics students should register using ECON 460-2.]

Economics 481-2

Econometrics

Professor Manski

MW 11-12:50

KRG 272

This graduate field course in econometrics examines the ways in which identification problems limit the credible conclusions that may be drawn in empirical economic research. The focus is on identification problems that arise when the available data are subject to common observational problems. The prerequisite is Economics 480. Each student will be expected to write an original empirical or theoretical research paper. There will be no examination.

MGR ES 485

Empirical Issues in Strategy

Professor Schaefer

TBA

TBA

This course will focus on how to use empirical methods from economics to study topics in strategy. Each week we will focus on a particular issue or method. Topics will include diversification, the vertical chain of production, and internal labor and capital markets. Methodologies will include event studies, natural experiments, and structural estimation.

The course will be based around student presentations of papers. Students are expected to contribute to the discussions of all papers, and to produce some empirical work of their own.

During the first week of the term, I will consult with interested students to determine a mutually agreeable meeting time. I expect the course will meet once a week for three hours. Please consult the website listed below for more information <http://skew2.kellogg.nwu.edu/~schaefer/D85>

501 seminar

The seminar will meet on Wednesday and Thursdays as needed at 5PM in the Seminar Room (Leverone 165). There will be one presentation each day and the seminar will last for one hour including the question-and-answer period.

The sign-up sheet for the Winter Quarter is now available in the Graduate Secretary's office. Professors Eichenbaum and Christiano will be organizing the seminar.

For admission to candidacy, students need to make two 501 presentations. *This is a requirement irrespective of whether you wish to have Departmental funding in your fourth year.*

Typically the presentations are made in the third year, one in the Fall and the other in Winter or Spring. Therefore third-year students should have already have presented the paper they submitted last summer. Those who have not done so should sign up immediately for the early weeks of the winter. *If you did not present in the fall quarter and appear to be signing up for the end of the winter quarter, please be aware that questions will be raised about the substance of the paper submitted for approval last summer. This could adversely affect your funding for the spring quarter.*

Third-year students should also be making plans for their second presentation. Remember that failure to make two presentations by the end of the spring quarter will prevent you from being admitted to candidacy, and hence receiving fourth-year funding. *This year at least one person was denied fourth year funding because they had not completed the 501 requirement.*

You need two faculty members to read your paper and attend the seminar before "signing off" on the form available from the Graduate Secretary's office. Attendance at 501 seminars is compulsory for all third year students. Permission for absence should be requested from the organizers. You should also register for 501 all year but register on a P/N basis. Letter grades will not be given.

Second year students should start attending some 501 seminars so that they can appreciate the acceptable standard for field papers.

Full information on our 501 requirement, and practical information, is available on our web page.

1999-00 quarter dates

Winter: Wed Jan 5 - Fri March 17
Spring: Mon March 27 - Fri June 9

2000-01 quarter dates

Fall: Mon Sept 18 - Fri Dec 8
Winter: Wed Jan 3 - Fri March 16
Spring: Mon March 26 - Sat June 8

From the Director of Graduate Studies . . .

Information on funding opportunities

I have established a web page which presents information on funding opportunities for graduate students, other than the TA and RA opportunities within the Department. The web page will be updated regularly and contains links to other web sites and PDF documents that give further information and contain application forms for you to download. The web page can be accessed from the "Information on the Ph.D. program" subpage of the Department's website. I have also highlighted some upcoming deadlines in the Funding section of this newsletter.

2000 spring prelim dates

Wed June 14 Macroeconomics
Wed June 21 Econometrics
Wed June 28 Microeconomics
All examinations will be held 1PM - 4PM.

2000 fall prelim dates

Tues Sept 5 Macroeconomics
Wed Sept 6 Econometrics
Fri Sept 8 Microeconomics
All examinations will be held 1pm - 4pm. It is our intention that results will be available so that financial aid decisions can be made prior to the start of the fall quarter.

Fall TA training

It is likely that T.A. training in 2000-01 will take place on Wednesday, September 13. First years who believe that they might be T.A.s, and do not have to retake any prelims, should be back in Evanston by Tuesday evening, September 12. Failure to attend will be regarded as grounds for rescinding financial aid.

Prelim policy

Last year the faculty voted to clarify our policy regarding retaking preliminary examinations. The full text of that document is posted on our web page. The implications for first year students can be summarized as follows:

- Exam "attempts" are counted sequentially, irrespective of whether you sit a particular exam.
- Students can retake in September any exam they fail this coming June without needing to petition the faculty.
- Students who fail to pass all three parts of the exam by September will only be permitted to remain in the program if (a) they have passed two exams, or (b) achieved "good grades," defined as no grade of B- or lower in any of the core sequences.

First year foreign students

Foreign students from non English-speaking countries should have either taken the Test of Spoken English once by now, or have registered for a definite date. Take the TSE early and often! It's the only way the Graduate School will allow the Department to award you a Teaching Assistantship.

Funding guidelines

Some years ago, we brought together in one document the Department's existing rules for funding continuing graduate students with TAships. This document is posted on the Department's web page. I urge you all to read it and become familiar with our policies.

TA periods in residence

Each quarter that you are a TA, you must be in Evanston from the first Monday of classes until the Monday after examinations end (which is the day that grades are filed). In the past people have left early and arrived back late, in some cases without informing the instructor they are working for. The Department will not tolerate this. You must arrange your vacation airline flights so as to be able to fulfill your duties. Failure to do so will be grounds for rescinding your TAship.

For 1999-00 the dates for which you must be in attendance are:

Fall: Until Mon Dec 13
Winter: Wed Jan 5 - Mon March 20
Spring: Mon Mar 27 - Mon June 12

From the Graduate Secretary's Office . . .

Financial aid forms

Renewal FAFSA forms should be arriving by mail sometime in December to those of you who have previously filed these financial aid forms. If you have moved, the post office will not forward it;

you will have to obtain and complete a new form. You will be able to pick up a FAFSA form from the Financial Aid office at the Graduate School after January 17th. The best thing to do is wait until after you have filed your income tax returns for 1999 before filling out these forms.

Income tax issues

All first-year students who have a University Fellowship will need to report their earnings on their income tax returns - minus the cost of books, supplies and Northwestern University Health Insurance premiums. Second year students who were on a fellowship for the 1998-99 year need to report their earnings from January through May of 1999 - less books and supplies.

The University does not issue W2 forms for those students on fellowships, you are required to report these funds on your own. International students may have had deductions taken out and will receive special tax forms from the university.

Important dates

December 29 is the deadline for submitting signed Admission to Doctoral Candidacy Forms to the Office of The Graduate School so that you are admitted prior to the Winter Quarter. However, students who have completed residency and are registered for 598 at the beginning of Winter Quarter may submit completed Ph.D. candidacy forms to the Graduate School by January 12 for admission to candidacy and change of registration to 599.

January 7 the admission to candidacy for the master's degree in Winter Quarter is due in the Office of The Graduate School.

April 3 is the last day to file with the Graduate School for "Admission to Candidacy." This is for students who expect to receive the master's degree in June. This is also the last day to return the "Application for a Degree" for all candidates who expect their degrees to be awarded in June.

May 12 is the deadline for submission of completed dissertation and all

supporting materials to the Graduate School. This deadline is for students who expect to receive the Ph.D. degree in June.

May 19 is the last day for receipt of "Final Examination Report" and any "Change of Grade" forms for 499 Projects or 590 Research. This pertains to students who expect a master's degree to be awarded in June.

If you have any questions about any of this information please stop by the graduate office.

Funding . . .

Transportation dissertation awards

The Transportation Center offers a stipend plus tuition award to eligible students who are in the final twelve months of their thesis research. Research in the area of transportation, broadly defined, and public utilities is eligible. Applications, including letters of support from your faculty advisor, are due with the graduate secretary at the Transportation Center by March 31. For further details talk to Ian Savage.

NU dissertation year fellowships

The Department expects to nominate four students for the Graduate School's Dissertation Year Fellowship (DYF) competition. This is an internal NU process involving departments and programs in the humanities and social sciences. Twenty fellowships are available. Last year we were able to win two of these. To apply you need to:

- Prepare a brief (<1500 word) description of your dissertation, your progress to date, and timetable to completion.
- Obtain two NU faculty references.

Completed nominations should be given to Joseph P. Ferrie by Friday January 21. Application forms and further information are available on our new funding web page. The selection committee places a high premium on projects which are (or can be made to seem) intelligible to the layperson.

In general the Department will not consider applicants who have not been admitted to doctoral candidacy, unless their advisors guarantee that the thesis will be completed by September 2000.

With the demise of the Alfred P. Sloan Foundation awards, the NU DYF's will be our primary way of supporting our most outstanding students.

NU alumnae dissertation fellowships

This new award offers a year of stipend and tuition to women who will be registered for 503 in 2000/01. Special preference will be given to those who have had to interrupt their academic careers. Information is given on the new funding web page, along with an application. Note that the deadline is January 14.

SSRC/MacArthur fellowships

There is a February 3rd deadline for applying for 2000's SSRC/MacArthur fellowship program, which is linked to (but not limited to) participation in the summer program. Again details are on the funding web page.

University College 2000-01

Appointment of lecturers for University College 2000-01 will be made in January. Lecturers will teaching two semester courses in the evening program. The fall semester is from just after Labor Day to mid-December, and the spring semester from the beginning of February to mid-May. Courses are taught on both the Evanston and Chicago campuses. Students who are selected to teach for University College will ordinarily be given the opportunity to teach one course in the WCAS day school.

Five appointments will be made. Each student teaches one course each semester. You can teach 201, 202, 281, 310-1, 311 or the 300 level of your choice. The financial reward for two University College courses plus a WCAS day course is about \$11,000. There is no tuition waiver, so these

positions will appeal to students on 503 tuition.

Appointments to these positions are made by the associate dean of University College and not by the department. Applications forms will be circulated to all students in the third year and above in mid-January. After reviewing the forms and checking your CTEC records as a teaching assistant, she will invite a short list of candidates to attend an interview. The decision will be solely based on teaching ability, and not on financial necessity. Completion of all prelims is required. Priority will be given to those students who are making good progress in their degree, as defined by the Department's Funding Criteria for Continuing Graduate Students.

Notes . . .

Next Graduate Connection

Ian Savage will return as editor for Volume 5, number 3 which will be published in the week of March 6.
