Northwestern University - Department of Economics

Graduate Connection

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News

Happy Holidays!

The faculty and staff extend their best wishes for a happy holiday season. The University will be officially closed on Thursday December 24, Friday 25, Thursday 31 and Friday January 1. The winter quarter commences on Monday, January 4.

Distinguished Teaching Assistants

The Distinguished Teaching Assistant Awards for 2008-09 were presented at the start-of-year buffet on October 7. The winners of a certificate and a year's subscription to *Econometrica* were **Brian Anderson**, **Aldo Heffner**, **Michel Janna Gandur**, **Tsu-ting (Tim) Lin**, **Ralf Meisenzahl** (all reawards), **Keziah Cook**, **Jia-Young (Mike) Fu**, **Simone Galperti**, **Joseph Goodman**, **Pamela Giustinelli**, **Alexander James**, **Álvaro Parra**, **Assaf Patir**, **Pablo Schenone** and **Cristina Tealdi**. Congratulations to the winners. These awards are given to the top third of our TAs, based on student and faculty evaluations. These awards have been listed prominently on the vita of our students on the job market, and act as a strong signal to potential employers of your teaching capabilities. This is especially true for students from countries where English is not the first language.

Robert Eisner Memorial Fellowship

Also, at the start of year buffet, a fellowship in honor of our late colleague Robert Eisner was presented. For 2009-10 the Fellowship was split between **Daniel Garrett** and **Toomas Hinnosaar**. This fellowship is awarded annually to a graduate student who has distinguished him- or herself in *both* teaching and research.

Susan Bies Research Prize

Also at the Buffet, the Department presented the annual Susan Schmidt Bies Prize for Doctoral Student Research on Economics and Public Policy. The winners were **Yosh Halberstam** for a paper dealing with whether U.S. Senators first elected in years with a presidential election are more extreme in their views than senators elected in midterm elections, and **Gregory Veramendi** for a paper looking at new mothers' choices regarding returning to the workforce, and the consequent effect of childcare on early childhood development. The prizes were generously donated by alumna Susan Schmidt Bies (PhD, 1972). Her professional career included serving on the Board of Governors of the Federal Reserve System.

Visitors

We will be welcoming **Aureo de Paula**, an econometrician from the University of Pennsylvania for the Winter and Spring Quarters. He will be in room 3247. The Center for the Study of Industrial Organization will be welcoming **Gautam Gowrisankaran** from the University of Arizona from February 15 to March 5, and alumni **Philip Haile** from Yale University for the week of March 8.

Sofronis Clerides, **Phil Reny**, **Sang In Hwang** and **Tsunao Okumura** remain with us. **Benny Moldovanu** will also remain here though part of January.

Congratulations

Our team of undergraduates, coached by **Mark Witte**, beat 17 teams locally to advance to the national finals in Washington on December 1 and 2 of the annual College Federal Reserve Challenge. This is the sixth year in a row that NU has advanced to the finals.

Events

AEA Annual Meeting

The annual meetings of the American Economics Association will be held in Atlanta on Sunday to Tuesday, January 3-5. Because of the timing, it is likely that some scheduled graduate classes may not meet on their first scheduled date. Please check with the instructor. If you are at the conference, stop by the NU annual cocktail party in room M101 of the Marriott Marquis from 6-8pm on Monday.

Martin L. King, Jr. Day

On Monday, January 18, all classes are canceled in observance of Dr. Martin Luther King Jr. Day. There will be no undergraduate or graduate classes. It is also inappropriate to hold discussion sections or office hours.

While classes are canceled, the university will <u>not</u> be closed for the day. Departmental and other university administrative offices will be open. There will be numerous events held on campus to celebrate the life and legacy of Dr. King.

Mark Your Calendars

Mark your calendars for these special events in the Spring Quarter. Full details will be given in the March *Graduate Connection*.

April 27: Susan Bies Annual Lecture on Economic Policy featuring **Jean-Claude Trichet**, President of the European Central Bank.

May 3 and 4: Department-wide lectures by **Ernst Fehr** of the University of Zurich

May 26 at 5:45pm: Nancy L. Swartz Memorial Lecture featuring **Alvin Roth** of Harvard University.

Teaching

This Quarter's Course Descriptions

The Department has a policy to avoid the problem of excessive awarding of incomplete grades. Please see our web site for a complete statement. Report any problems to the Director of Graduate Studies.

Economics 412-2
Economic Theory and Methods
Professor Strulovici
MW 1:30-3:30   AAH 3204

This course aims to provide a rigorous analysis of key aspects of collective decision making. The first part focuses on social choice theory, or how individual preferences are aggregated to form a collective preference and determine a collective decision. The second part of the course analyzes the link between politician motivations and policy outcomes. In the last part of the course, the formal framework developed in early parts is applied to major policy issues: redistribution, pensions, and regional transfers. Evaluation is by several problem sets and a final exam.

Economics 414-1
Economics of Information
Professor Wolinsky
MW 9-11   AAH 3245

The course will survey some of the central topics in the economics of information. Among the topics are search, matching, formal descriptions of information and knowledge in single and multiple agent situations, implementation/mechanism design and contagion. The course will present both more foundational models and ideas and more applied ones.

Economics 416-1
Advanced Macroeconomics
Professor Wiederholt
TTh 6-8pm   AAH 3245

This course is an advanced course on business cycle theory. The readings will be journal articles. The evaluation will be based on a series of problem sets and a take-home final exam.

Economics 420-2
European Economic History
Professor Mokyr
TTh 9-11   AAH 3204

This course will be devoted to problems in the Economic history of Europe in the Twentieth century, roughly defined as 1890-1989. The course will deal with a variety of topics, about a topic a week. All readings are available on the Blackboard site of the course. A complete outline of topics will be provided on the blackboard site of the course.

After the introductory lectures (2-3 weeks), classes will be organized along student presentations. Each student is responsible for a number of class presentations of 25-30 minutes each, in which he/she will present paper or chapters from the list below. The requirements for the course are class participation, class presentations, and a research paper. The research paper is due no later than a year after the end of the course. The aim of the research paper should be to write an original paper using economic theory and/or historical data to investigate a topic in European Economic history. The material covered in the course is recommended, but any topic about any European economy prior to 1989 will be acceptable subject to approval.

Economics 440-2
Economics of the Labor Market
Professor Beaman
MW 9-11   AAH 3204

Tthis course focuses on the application of theory and econometrics to provide

students with a solid background to do applied microeconomic research. All applications will relate to empirical microeconomic issues in developing countries and provides a partial survey of current economic issues faced by poor countries. As such, it covers topics which relate to a number of sub-fields, including: human capital (health and education); risk & insurance; savings; credit (including microfinance); political economy and corruption; gender and development, and social interactions.

Evaluation will be based on two referee reports, problem sets, and a research proposal (with preliminary findings). Students will also be expected to present 1-2 papers each during the course of the quarter. The readings will be from journal articles available online.

Economics 450-2
Industrial Organization and Prices
Professor Porter
MW 11-1   AAH 3245

An introduction to several topics in industrial organization theory and empirical analysis. Potential topics include: price discrimination; entry, growth and turnover; product selection; advertising; cartels and collusion; auction markets; innovation and R&D. The emphasis will be on the specification, estimation and testing of game theoretic models, and especially on recent developments in the field.

Economics 450-1 is a prerequiste. Evaluation will be by several problem sets and a final exam.

Economics 481-2
Econometrics
Professor Canay
TTh 11-1   AAH 3245

This course aims to cover modern econometrics topics from a theoretical point of view but with lessons for practitioners. It is divided in three parts. The first part covers local asymptotic comparisons, large deviations, contiguity

and more. Part II is all about uniformity: uniform inference with subsampling and the bootstrap in non-regular models (i.e., moment inequalities, parameter on the boundary, pre-testing and so on). The last part is on empirical likelihood: introduction to empirical liklihood, higher order properties, behavior under misspecification, moment inequalities and more.

Evaluation is by problem sets, weekly reports and a topic presentation. The book *Asymptotic Statistics* by A.W van der Vaart (Cambridge U.P., 2000) includes many of the topics of part I. Selected readings are provided for the other topics.

Economics 482
Time Series Methods
Professor Primiceri
TTh 1:30-3:30   AAH 3204

This course is an introduction to modern time series analysis. The emphasis is on Bayesian methods to conduct inference in dynamic macro-econometric models. Topics include univariate and multivariate autoregression (AR and VAR) models, structural VARs, state-space models, time varying parameters and stochastic volatility models, estimation of linear and nonlinear dynamic stochastic general equilibrium (DSGE) models, model comparison and model choice and, time permitting, some non-rational expectations econometrics.

Evaluation will be based on homeworks and a final take home exam.

Finance 487
Dynamic Asset Pricing Theory
Professor Skiadas
T 2-5   AAH 4214

This course covers the basic arbitrage and equilibrium models of asset pricing in dynamic settings. Topics include the implications of no arbitrage for derivative security pricing and term-structure models, optimal portfolio selection, equilibrium models of asset pricing and the representative agent. The necessary mathematical tools are introduced, including the Ito calculus and stochastic

control.

Finance 485 is the usual prerequisite, other students will need permission of the instructor.

Finance 488
The Econometrics of Financial Markets
Professor Jagannathan
F 9-12:30   AAH 4214

The course covers the following topics in the empirical financial markets literature and related econometric methods: review of some financial market facts; distributional characteristics of stock prices; review of GMM; ARCH/GARCH and related models; conditional and unconditional linear beta pricing models; yield curve models; market microstructure; initial public offerings and seasoned equity offerings. Course grade will be based on homework sets (one per week, do be done individually), and a referee report on an empirical finance paper published in a major finance or economics journal.

MECS 460-2
Foundations of Management Economics
Professor Atakan
W 3:30-6:30   LEV 586

The goal of this course is familiarize students with dynamic optimization techniques for both discrete and continuous time stochastic problems. In particular the course will present results in discrete time dynamic programming and continuous time optimal control.

MECS 516
Topics in Formal Political Theory
Professor Harstad
F 9-12   LEV 586

This course takes a contract-theoretical approach to politics, political agents and political institutions. It will study various political agents as players in a game, and we will view alternative political institutions as rules of the game. A prerequisite is a graduate-level course in

game theory.

Formal Announcements

Funding Guidelines

The Department has formal rules for the allocation of funding for students in years two through five. This document is posted on our web site. Please read this document as *the Department strictly enforces these funding criteria.*

Preliminary Examinations

The Department has rules on the number of times that students are allowed to take prelim examinations, and the conditions for such retaking. These affect whether some second and third year students will be allowed to continue in the program. The rules are posted on our web site. Please make sure that you are familiar with them.

Dates for future prelim examinations have been set. The ordering of the three examinations will rotate each year. For the coming year, the dates are:

Spring 2010 Sitting
Wed June 16   Microeconomics
Wed June 23   Macroeconomics
Wed June 30   Econometrics
All examinations will be held 1PM - 4PM.

Fall 2010 Sitting
Tues Aug 31   Microeconomics
Thur Sept 1   Macroeconomics
Wed Sept 2   Econometrics
All examinations will be held 1PM - 4PM.
Note: examinations are *before* Labor Day.

TA Periods in Residence

Each quarter that you are a TA, you are expected to be in Evanston on weekdays from the first day of classes until the Monday after examinations end (which is the day that grades are filed). Absences during this period requires permission of the instructor. In the past people have left early and arrived back late, in some cases without informing the instructor. The

Department will not tolerate this. You must arrange your vacation airline flights so as to be able to fulfill your duties. This is especially true as you make travel arrangements for the coming holiday season. Failure to do so will be grounds for rescinding your TAship. For the coming year the dates for which you should be in attendance are:
Fall: Until Mon Dec 14
Winter: Mon Jan 4 - Mon March 21
Spring: Mon March 29 - Mon June 14

Funding Opportunities

Teaching Opportunities 2010-11

Application forms for teaching as an instructor in the evening program (School of Continuing Studies) and in the regular WCAS day school will be circulated on February 1. Students will be appointed on the basis of excellent performance as a lecturer or as a TA.

NU Dissertation Year Fellowships

A new system of Dissertation Year University Fellowships (DYUF) is in effect, and all students are eligible. The Department has taken the pedagogical decision that these fellowships should occur in the spring quarter of the year prior to going on the job market, and the fall and winter quarters of the job market year. To qualify for the spring quarter fellowship, students should ask their advisor to file the *Spring Certification of Intent to Enter the Job Market* (Form GS5) with the Graduate Secretary between February 1 and February 15. This form is available from the PhD.>Current Students section of our web site.

NU Summer Fellowships

Summer Fellowships will again be available to students in years two through four (first year students will have been notified about summer funding in their offer letter). As was the case last year, an signed acceptance form and contract will

have to be submitted. This will occur in May. More details will be given in the next *Graduate Connection.*

Funding for Research-Related Travel and Expenses

The Graduate School has available funds to pay for research expenses and for travel to conferences. The maximum one-time research grant is $3,000, and there is funding for one conference a year that covers up to a maximum of $700. Full details of the application procedures and links to application forms are on the funding web page.

Federal Aid Forms

If you are a U.S. citizen or a U.S. permanent resident you need to renew your FAFSA (Free Application for Federal Student Aid) application. You can complete the forms on-line at www.fafsa.ed.gov after January 1 and before June 30. The Graduate School recommends that you file by March 1. It is often useful to have completed and filed your 2009 income tax form (1040) before you complete the FAFSA.

Notes

Personal copy accounts

Graduate students can obtain a personal account on our copy machines. You will be billed at the end of each month at 6¢ a copy. To obtain an account please send an e-mail to the Associate Chair <ipsavage@northwestern.edu> with your name and a 5-digit number to be used as your personal access code (the number must not start with a 0).

Next Graduate Connection

Volume 15, number 3 will be published in the week of March 8.