

Course Assignment: Econometric Project

The course is assessed primarily (80%) through an empirical project on a topic of your choice. Pick an econometric theory or field that interests you, gather the data and conduct an econometric analysis using the techniques learned during the course.

- **Requirements:**

- To be submitted electronically in Word or pdf format to: `felix.pretis@nuffield.ox.ac.uk`
- Deadline: submitted by **Monday, 5th June, 2016**
- No more than 10 pages in length (excluding references)
- 1.5 line-spaced using 12pt font
- All data sources and literature have to be referenced (avoid plagiarism!)

- **Hints:**

- The problem sets during the course were designed to give you experience in handling data and conducting an econometric analysis. You can use a similar approach in your project!
- **Plot the data before you conduct any analysis!** Plot the data over time in levels and differences, use scatter plots to plot series against each other to get a feeling for potential relationships!
- Building a sensible econometric model using real-world data is very hard - don't be disheartened if at first you do not get results that make sense!

- **Suggested Topics if you are unsure what to do:**

- *Environmental Kuznets Curve*: the problem set looked at the environmental Kuznets curve for Japan. You could look at other countries and extend the analysis. If there is evidence for a Kuznets curve in other countries, when are their estimated turning points?
- *Purchasing Power Parity*: investigate whether purchasing power parity holds for given exchange rates between countries using econometric techniques.
- *Efficient market hypothesis*: is it possible to model/predict share prices?
- *The Phillips curve*: theory suggests a link and trade-off between unemployment and inflation, test this using econometric methods.
- Econometric tools can be useful in many fields outside of conventional economics topics. You could investigate the link between *temperatures and greenhouse gases*, or *temperatures and sea level*.
- Time series using data from Akita: e.g. welfare recipients, spending, etc.