Syllabus and Course Description

The aim of this course is to provide an overview of the state-of-the-art in empirical modeling in applied microeconomics. The focus is on building, estimating and interpreting output from models using microeconomic data, the primary activity of academics in most fields of economics with a substantive microeconomic component (marketing, industrial organization, international trade, etc.). Many of the techniques we’ll cover are also used in non-academic settings, to evaluate mergers, to forecast demand for new products, to understand the structure of demand in order to set prices and to practice techniques like yield management.

Required Text: There is no required text for the course.

Grading: To be discussed in the first class.

Prerequisites: A solid grasp of both microeconomics and econometrics such as that provided by the first year Ph.D. core courses. Later topics require an elementary knowledge of game theory.

Class Preparation: Typically, we’ll cover the material in several papers in a single class, but I’ll tell you which one or two to focus on in preparation for class.

For Economics Generals: There will be at least one optional question from this course’s material on the economics department I.O. General Exam. To help prepare you to answer that, I’ll provide a couple of problem sets during the semester. These will be voluntary, but you should definitely hand them in to me if you plan on answering the questions on the general exams so I can provide feedback.

Production and Cost Function Estimation


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1 See also:


**Demand Systems**

1. **Continuous Choice Demand Models**


2. **Discrete Choice Demand Models**


Hausman, J. and Wise, D. “A Conditional Probit Model for Qualitative Choice: Discrete


4. Welfare Analysis


Petrin, A. “Quantifying the Benefits of New Products: The Case of the Minivan,” mimeo, University of Chicago, 1999.2

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2 See also the literature on hedonic pricing


Static Games of Perfect Information

Pricing Games


Computation of Equilibria


Identification and Testing


Conjectural Variations


Entry Games


Games of Incomplete Information: Bayesian Nash Equilibrium


**Single Agent Dynamic Optimization Problems**


**Multiple Agent Dynamic Games**

Benkard, L. "A Dynamic Analysis of the Market for Wide-bodied Commercial Aircraft,"


