Economics 696F – Topics in Econometrics: Econometrics of Dynamic Industrial Organization Models

University of Arizona, Fall 2009
Mondays, 12:30pm – 3:00pm, McClelland 401KK

Instructor: Prof. Gautam Gowrisankaran, gowrisankaran@eller.arizona.edu, McClelland 401HH
Office hours: By appointment, or just stop by

Course Summary:

The development and estimation of dynamic models to understand industry behavior has been at the forefront of much recent research in econometrics and industrial organization. This course covers recent methodology that has developed and estimated dynamic models of investment and consumer behavior and dynamic oligopoly models. To understand the concepts of the course, it is necessary to be familiar with theory and computation of dynamic models, modern econometric methods and recent questions in industrial organization.

The course meets once a week. Every week, we will cover 1-2 papers related to dynamic estimation of industrial organization models. We will discuss in detail the estimation techniques, model, research question, sources of identification, and economic importance of the work. The idea is to provide enough depth to give students the ability to perform frontier research in this area.

Assignments: There will be 2 computational assignments and an oral final exam. The computational assignments should be done in small groups. Each person will be responsible for separately writing up answers.

Syllabus:

1) Dynamic single-agent models: 3 weeks


2) **Dynamic demand models for differentiated products: 3 weeks**


3) **Dynamic oligopoly models of Pakes-McGuire type: 3 weeks**


4) **Discrete choice oligopoly models: 3 weeks**


Econometrica, 75(1). 1-53.


5) Other dynamic oligopoly models: 3 weeks


