

# Course Outline

## **Limited Dependent Variables**

Day 1 – Discrete choice regression  
logit, probit, and linear probability  
multinomial logit  
examples from the ARIS/REDS data (e.g. labor force participation or school attendance)

Reading: Maddala, ch.1 and ch.2 ; Cameron and Trivedi, ch. 14

Day 2 – Probabilistic choice models  
McFadden's conditional choice model  
Nested multinomial logit and GEV  
Multinomial probit  
Examples from the ARIS/REDS data (e.g. choice of school, health care provider, crops)

Reading: Maddala, ch. 3 ; Cameron and Trivedi, ch. 15

Day 3 – Censored and truncated regressions  
Tobit  
Endogenous stratification  
Switching regression  
Examples from the ARIS/REDS data (demand for specific goods, labor supply)

Reading: Maddala, ch 6 ; Cameron and Trivedi, ch. 16

Day 4 – Self-selection  
Heckman's model  
Two-stage and ML estimators  
Examples from the ARIS/REDS data (labor supply, program participation)

Reading: Maddala, ch 8 and ch. 9 ; Cameron and Trivedi, ch.16

Day 5 – Count data  
Parametric and semi-parametric estimators  
Examples from the ARIS/REDS data (??)

Reading: Cameron and Trivedi, ch.20

### References

Maddala, G.S., 1983, *Limited Dependent and Qualitative Variables in Econometrics: Econometrics Society Monograph #3*, Cambridge University Press.

Cameron, Colin, and Pravin Trivedi, 2005, *Microeconometrics: Methods and Applications*, Cambridge University Press.