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# Graduate Connection

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Vol. 2 No. 2  
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## Happy Holidays!

The faculty and staff extend their best wishes for a happy holiday season. The University will be officially closed on Tuesday December 24, Wednesday 25, Tuesday 31, and Wednesday January 1. The winter quarter commences on Monday January 6.

## From the Department Chair . . .

*University ranked number 9 by  
USN&WR*

Northwestern University made the top ten list of national universities in the 1996 annual US News and World Report survey. I would like to thank all of our graduate student T.A.s and lecturers whose skills have contributed to the recognition given to our undergraduate education.

## *Graduate Secretary*

I was as sad as you were about the resignation of **Delilah Gray**. She added a unique flare and enthusiasm to her job. We wish her well in Tennessee, and hope that the move is good for her family. At the present time the post has been advertised, but interviews have yet to be conducted. In the meantime, the following arrangements will apply. Ethel McKay King will deal with any formal paperwork dealing with funding, candidacy and petitions to graduate. We are hoping that **Mercedes Thomas** will return to provide temporary support to the Graduate Secretary's office where she will primarily be dealing with applications for admissions.

## *Recent faculty honors*

**Rebecca Blank** was appointed to the Urban Institute's committee to study the effects of welfare reform on a selected number of communities. **Ron Braeutigam** has been named president-elect of the European Association for Research in Industrial Organization (EARIE). **Robert Eisner** was awarded an honorary degree by the Université Pierre Mendes Frances in

Grenoble. **Kiminori Matsuyama** was awarded the 1996 Nakahara Prize by the Japanese Association of Economic Theory and econometrics. **Rosa Matzkin** was reappointed as an associate editor of the *Journal of Econometrics* for three years. **Ian Savage** was elected a council member of the Transportation Research Forum.

## *New and renewed faculty research grants*

**Alan Taylor** (NSF, Argentina and the Great Depression)

## *Faculty changes*

**Rick Flyer**, a University of Chicago Ph.D. will be visiting from the Stern School at NYU for the calendar year 1997. He is a labor economist. His office will be room 228 (1-8204). **Ahmad Seifi** is a postdoctoral fellow at the U of C, and a successful instructor in our evening and summer programs. His background includes a spell as chief economist to the Iranian delegation to OPEC. He will be here in the winter and spring quarters in room 208 (1-8222) to teach development economics.

Congratulations to **Bruce Meyer** on his promotion to Full Professor, and to **Wolfgang Pesendorfer** and **Chris Udry** on their promotion to Associate Professor. All of the promotions took effect from September 1, 1996.

## *Director of Graduate Admissions*

**Asher Wolinsky** will be my successor as the Director of Graduate Admissions. I am sure that you will all work with Asher in hosting visiting students as he works to recruit another fine class of incoming graduate students.

## *Distinguished Teaching Assistants*

At the start-of-year buffet on October 2, I was pleased to award the Distinguished Teaching Assistant Awards for 1995/6. The winners of a certificate and a year's subscription to *Econometrica* were Jim Hornsten, Matthew Magura, Dev Handa, Elie Tamer, Cory Capps, Mark Manuszak, Thomas Yu, and Dan Levy. **Jim Hornsten**

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was also selected as a Teaching Assistant Fellow, and did an exemplary job of leading the training session for new Economics T.A.s in September.

## Teaching Matters . . .

### *Labor Economics*

We have added a second part to the labor economics sequence for 1996/7. This will be numbered D40-1 and will be taught by Professor Altonji. Despite the listing of this course as D40-2 in the printed Course Schedule, please register for the course as D40-1.

### *Course descriptions - winter 96/97*

#### **Economics D12-2**

Economic Theory & Methods

Professor Ely

TTh 9-11

132 AAH

This course will focus on recent research in learning and evaluation in games. The goal is to model equilibrium in a game as a limit point of a dynamic process constructed from some model of individual play. In the "learning" branch of this literature, players use the past to form beliefs about how their opponents will play in the future, and choose strategies to solve some dynamic optimization problem.

The "evolutionary" approach models strategy dynamics as the result of some process of "natural selection." In either case we ask whether the dynamic process converges on an equilibrium, and if so, does it converge on a particular equilibrium? In this way we address the question of which, if any, equilibrium concepts are justified by an explicit model of the process by which equilibrium is reached.

#### **Economics D14-1**

Economics of Information

Professor Wolinsky

TTh 1-3

132 AAH

No description submitted.

#### **Economics D16-2**

Advanced Macroeconomics

Professor Matsuyama

MW 9-11

132 AAH

The second quarter in the two quarter graduate advanced macroeconomics

sequence. The course is divided into two parts:

Part 1. Dynamic Monopolistic Competition Models in the Theory of Development, Growth, and Business Cycles: I intend to distribute lecture notes on this topic.

Part 2. Open-Economy Macroeconomics: As the textbook, I will use *Foundations of International Macroeconomics*, by Obstfeld and Rogoff, (MIT Press).

Evaluations: class participation and a five-page research proposal.

#### **Economics D20-1**

American Economic History

Professor Ferrie

Tth 11-1

132 AAH

This course examines several topics in the economic history of the United States. The first goal of the course is to make students aware of research on long-term factors in the development of the American economy that are often overlooked in the contemporary focus of other courses: the rise of institutions, the appearance of markets for labor and capital, the growth and health of the population, the development of new technologies, the distribution of income and wealth, and the changing role of the government in the economy. The second goal is to familiarize students with the methods and materials of economic history.

The course will require extensive input from the students, as the latter goal cannot be achieved without considerable hands-on experience. The emphasis is on students' participation in discussions and students' demonstration of the mastery of the tools of economic history in evaluating the materials presented in class and in completing a significant piece of original research using primary materials.

Grades will be based on participation in class discussions (20%), four short (6-8 page) papers (40%) and a final paper (40%). There is no textbook for the course, but students with a weak background in U.S. history may wish to consult Jonathan Hughes and Louis P. Cain, *American Economic History* (4th ed., Harper Collins, 1994). A packet of required readings will be available from the Economics Department office. All of the readings are required.

#### **Economics D40-1**

Economics of the Labor Market

Professor Altonji

MW 9-11

213 PKS

No description submitted.

#### **Economics D50-2**

Industrial Organization & Prices

Professors Braeutigam and Panzar

MW 11-1

132 AAH

The second quarter in the graduate industrial organization sequence. This course deals primarily with topics in the economics of government intervention. Topics include: production technology and industry structure, the economic rationale for regulation, positive models of regulation, optimal pricing, incentive regulation, network economics and privatization. The emphasis will be on the estimation and testing of game theoretic models, and especially on recent developments in the field.

D50-1 is recommended. Evaluation will be based on several problem sets, a paper prospectus, and a final exam. There will be selected readings, many in a course packet.

#### **Economics D81-3**

Econometrics

Professor Matzkin

MW 1-3

132 AAH

The course will deal with identification, estimation, and testing of microeconometrics models. These models include qualitative response models, tobit and duration models, and simultaneous equations models. Parametric, semiparametric, and nonparametric techniques for the estimation and testing of these models will be studied. Prerequisite: Economics D80. Evaluation: Several problem sets and a final exam. Readings/Textbook: Some chapters from *Advanced Econometrics* by Amemiya (Harvard University Press), and several papers.

#### **MEDS D60-2**

Foundations of Managerial Economics (II):

Dynamic Optimization

Professor Feinberg

MT 9:30-11

561 LEV

We start with discrete time deterministic dynamic programming and study various economic applications, e.g., simple growth models, inventory and investment

problems. We then move to discrete time stochastic models and their applications. If time allows, some basic continuous time results will be covered.

The course includes participants presentations, which will be the basis for course grades. There are no prerequisites. The recommended text is *Recursive Methods in Economic Dynamics*, by Stokey, Lucas and Prescott (Harvard University Press, 1989).

### 1997 spring prelim dates

Wed June 18	Microeconomics
Wed June 25	Macroeconomics
Wed July 2	Econometrics

All examinations will be held 1pm - 4pm.

### 1997 fall prelim dates

The September retake examinations will be held:

Mon Sept 15	Microeconomics
Tues Sept 16	Macroeconomics
Thur Sept 18	Econometrics

All examinations will be held 1pm - 4pm.

### 1997-8 quarter dates

Fall:	Mon Sept 22 - Sat Dec 14
Winter:	Mon January 5 - Sat March 22
Spring:	Mon March 30 - Sat June 14

## New Graduate Student Seminar . . .

### Departmental requirements

An explanation of the thinking behind the new E01 seminar was given the last issue of the *Graduate Connection*. The full text of details of the new requirement can be found on the Department's web site. A summary of the main points are:

- Graduate students must present their two field papers in the E01 seminar to fulfill the course requirement for admission to candidacy (excepting the entering class of 1994 who only need make one presentation during 1996/7). In the usual course of events, a student would make one such presentation late in the 2nd year and the other early in the 3rd year.
- The seminar will be held on Thursdays from 5.00PM to 6.30PM during all three

quarters. All second year students in the winter and spring quarters, and all third year students in all three quarters must register for and attend the weekly seminar. Attendance is mandatory.

- Starting with the entering class of 1995, third year funding will be conditional on the completion of at least one paper and presentation during the second year.
- Faculty are expected to limit field course assignments to those which are expected to be completed during the quarter the course is offered. In addition to the usual homework assignments and "referee reports," it would be especially useful under the new system to require students to prepare an "outline" or "prospectus" for a paper.
- The E01 seminar does not apply to those papers written to fulfill the Department's Economic History requirements. However, it does apply to a paper written by students who are taking Economic History as a major field.

### Practical arrangements

- Usually one, but occasionally two, presentations will be made. Presenters should be prepared to speak for forty minutes, but expect to receive questions.
- A sign up list has been circulated, and is in the Graduate Secretary's office. The first seminar of the quarter will be on Thursday January 9. The seminar will be listed on the weekly pink sheet.
- It is your responsibility to arrange for the examination of your paper. You should approach the professor for whose class the paper was written to (a) evaluate the paper, and (b) attend the presentation. You will also need a second faculty member in the field to evaluate the paper and attend the seminar. You should provide both faculty members with copies of the paper at least one week in advance of your seminar. Attached to this newsletter is the form that allows these faculty members to "sign off" that your paper is acceptable for the department's requirements for a major field. This form must be returned to the Graduate Secretary within two weeks of the date of your seminar.
- Please give Scott Zacher a copy of your paper a week before your seminar. He will arrange for copies to be made and

distributed to students in the second and third years.

### Notice to second years

You should register for E01 in the forthcoming winter quarter. You should also start attending so that you can get some idea of the requirements for a field paper. You should also expect to prepare and present your first field paper during the coming spring quarter. Financial aid in the third year will be conditional on making one presentation in E01 during your second year.

## From the Director of Graduate Studies . . .

While the Winter Quarter is usually rather "slow," it is not too early to begin to think about important financial aid matters that will unfold this spring and summer.

### Notice to potential T.A.s

Foreign students from non English speaking countries should have either taken the Test of Spoken English once by now, or have registered for a definite date. Take the TSE early and often! It's the only way the Graduate School will allow the Department to award you a Teaching Assistantship. If you think you can qualify for a waiver, arrange that with the Graduate School NOW.

It is likely that T.A. training in 1997-8 will take place on Wednesday, September 17. All first years who believe that they might be T.A.s should be back in Evanston by Tuesday evening, September 16.

### Notice to third years

TAships are only available to fourth year students who have been admitted to doctoral candidacy. If you have been admitted to candidacy by July 31, 1997 you will - in normal circumstances - be offered a TAship for all three quarters of 1996-7. Please remember that a condition for candidacy for students who entered in fall 1994 includes presentation of at least one paper in the E01 seminar.

If you are admitted to candidacy after July 31, 1997 then we cannot guarantee that TA funds will be available. In any event, a TAship will not be awarded for any quarter in which you have not been admitted to candidacy. This means, for example, that if you are admitted to

candidacy in November 1997 funding will not be available for the fall quarter, and will only be available for the winter and spring quarters if there are any unallocated TAships remaining, and if the College of Arts and Sciences allows us to change our TA roster after September.

### *TA periods in residence*

Each quarter that you are a TA, you must be in Evanston from the first Monday of classes until the Monday after examinations end (which is the day that grades are filed). In the past people have left early and arrived back late, in some cases without informing the instructor they are working for. The Department will no longer tolerate this. You must arrange your vacation airline flights so as to be able to fulfill your duties. Failure to do so will be grounds for rescinding your TAship. For 1996/7 the dates for which you must be in attendance are:

Fall: Wed Sept 25 - Mon Dec 16

Winter: Mon January 6 - Mon March 24

Spring: Tues April 1 - Mon June 16

## From the Graduate Secretary's Office . . .

### *Financial aid forms*

Renewal FAFSA forms should be arriving by mail sometime in December to those of you who have previously filed these financial aid forms. If you have moved, the post office will not forward it; you will have to obtain and complete a new form. You will be able to pick up a FAFSA form from the Financial Aid office at the Graduate School after January 15th. The best thing to do is wait until after you have filed your income tax returns for 1996 before filling out these forms.

### *Income tax issues*

All first-year students who have a University Fellowship will need to report their earnings on their income tax returns - minus the cost of books, supplies and Northwestern University Health Insurance premiums. Second year students who were on a fellowship for the 1996/97 year need to report their earnings from January through May of 1996 - less books and supplies.

The University does not issue W2 forms for those students on fellowships, you are required to report these funds on your own.

International students may have had deductions taken out and will receive special tax forms from the university.

### *Important dates*

Noted below are some important dates that all Economics Graduate Students should be aware of:

#### **December 30, 1996**

Admission to candidacy for the Ph.D. prior to Winter Quarter. Signed candidacy forms due in the Office of The Graduate School.

Students who have completed residency and are registered for E98 at the beginning of Winter Quarter may submit completed Ph.D. candidacy forms to The Graduate School by January 13, 1997, for admission to candidacy and change of registration to E99.

#### **January 10, 1997**

Admission to candidacy for the master's degree in Winter Quarter. Candidacy forms due in the Office of The Graduate School.

#### **April 4, 1997**

This is the last day to file with the Graduate School for "Admission to Candidacy." This is for students who expect to receive the master's degree in June 1997. This is also the last day to return the "Application for a Degree" for all candidates who expect their degrees to be awarded in June 1997.

#### **May 16, 1997**

Deadline for submission of completed dissertation and all supporting materials to be turned in to the Graduate School. This deadline is for students who expect to receive the Ph.D. degree in June 1997.

#### **May 23, 1997**

Last day for receipt of "Final Examination Report" and any "Change of Grade" forms for D99 Projects or E90 Research. This pertains to students who expect a master's degree to be awarded in June 1997.

If you have any questions about any of this information please stop by the graduate office.

## Funding . . .

### *Sloan awards*

An excellent form of financial support for those students in the final stages of their thesis research is the Alfred P. Sloan Foundation dissertation fellowships. These fellowships offer both a generous stipend and tuition payment. The Sloan Foundation has once again requested the Department to nominate three students for dissertation fellowships.

NOW is the time to begin developing an irresistible 5-page proposal to enter in the Department's internal competition. Expect an early March deadline for submission of your draft proposal and faculty references, so NOW is also the time to gather your courage and approach faculty members with your research ideas.

### *Transportation dissertation awards*

The Transportation Center offers a stipend plus tuition award to eligible students who are in the final twelve months of their thesis research. Research in the area of transportation, broadly defined, and public utilities is eligible. Applications, including letters of support from your faculty advisor, are due with Jennifer Marx at the Transportation Center by March 14, 1997. For further details talk to Ian Savage.

### *University College 1997-8*

Appointment of lecturers for University College 1997-8 will be made in February 1997. Please note that appointments to these positions are made by the associate dean of University College and not by the department. Forms for you to express interest in these positions will be circulated to students in the third and higher years in January. After reviewing the forms and checking your CTEC records as a teaching assistant, she will invite a short list of candidates to attend an interview.

These positions provide valuable teaching experience for students with good teaching skills. They can provide a more certain form of funding for students in their fifth year, or those fourth year students who are not admitted to candidacy on time.

## Notes . . .

### *Phone area code changes*

From January 12, you will have to use the new 773 area code for areas in the City of Chicago which are not in the greater loop area. This will apply to the University of Chicago in Hyde Park, the Lincoln Park and Rogers Park residential areas, DePaul's Lincoln Park campus, and Loyola's Lakeshore campus. The University of Illinois at Chicago remains in the 312 area code, as does the downtown campuses of Northwestern, DePaul and Loyola Universities.

### *Photocopier*

Please note that the office staff and work study students have priority access to the copy machine during regular business hours. It is suggested that during the first few weeks of each quarter that T.A.s do their copying for classes wherever possible after 5PM. Staff will be busy producing course packets. Please be nice and permit them to use their time efficiently.

### *Personal copy accounts*

Graduate students can obtain a personal account on our copy machine. You will be billed at the end of each month at 5¢ a copy. To obtain an account please send an e-mail to the Assistant Chair <ipsavage@nwu.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).

### *Lounge*

The Department is pleased that the Lounge in room 125 is so well used. However, please remember that your mother does not work here and therefore clear up after your lunch. Please also keep the newspapers and the weekly magazines tidy. These and the journals are for reading in the Lounge ONLY. Please do not take them elsewhere to read. You can make a copy just across the hallway.

We would like to ask that you reshelve the journal issues when you have finished with them, and do so in the correct order. The current disorder looks untidy and makes it difficult for other readers.

You may have seen the notice indicating the frustration of your fellow graduate students with those of you with a penchant for petty theft. Do not steal the Journals. We are a small community of intelligent

people, and should not have to tolerate those with less civility.

### *Office accommodations*

We have a shortage of graduate office carrels. If anyone is currently allocated a space but is not using it, please let Ian Savage know so that he can arrange with one of your fellow students to share the space.

### *Web page*

The department's web site contains directory information for faculty and staff, seminar listings, class information, and official documents on degree requirements. There are also links to information provided by the Graduate School, plus many interesting economics databases and sources. The URL is:  
<http://www.econ.nwu.edu>

### *Next Graduate Connection*

Volume 2, number 3 will be published on March 10.

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**NORTHWESTERN UNIVERSITY  
Department of Economics**

**COMPLETION OF A MAJOR FIELD**

1. Your name: \_\_\_\_\_

2. What is the name of the field: \_\_\_\_\_

3. Details of the courses taken in this field:

	<u>Course Number</u>	<u>Instructor</u>	<u>Quarter &amp; Year</u>	<u>Grade</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____

4. Details of the paper to fulfill the requirements for the major field:

Title: \_\_\_\_\_  
\_\_\_\_\_

Date of presentation at E01 seminar: \_\_\_\_\_

5. Signed statements by two faculty evaluators:

"I affirm that the paper listed above meets the requirements for a major field for the Ph.D degree in Economics. I attended the presentation of the paper and affirm that it met required presentational standards."

<u>Faculty Member (print name)</u>	<u>Signature</u>	<u>Date</u>
_____	_____	_____
_____	_____	_____

**RETURN TO GRADUATE SECRETARY WITHIN TWO WEEKS  
OF DATE OF E01 PRESENTATION**