

## Problem set #2: Write that paper!

I will hand out tables of empirical results from a well-known empirical IO paper, without letting you know the author or the question that (s)he was trying to answer. I want you to write a mini-paper (between 7-10 pages) using these empirical results.

If you have seen this paper before, please play along and pretend you haven't. Be **creative** and **precise** throughout.

Your paper should have the following sections:

**Introduction and motivation** In this section you should state very clearly (1) the question you are trying to answer; and (2) why it is interesting. In addressing (2), it may be useful to do a brief literature search, and describe previous work (both empirical and theoretical) which you feel is related to your question. *Important:* if you cite another paper, you must compare and contrast it to your paper — how is your work different/same in terms of question, data, model, etc.?

**Economic model** Here you should sketch a theoretical model which you will use to interpret your results. While you don't need to provide a complete mathematical model (even words are sufficient, as long as you are very precise), you *must* describe the implications of your model for the question you are answering. If your question is yes/no, then under what conditions does your model predict yes or no? If your question regards a magnitude of some effect, then under what conditions does your model predict that this effect should be large or small in magnitude?

**Empirical methodology** Here you should describe

1. Your dataset. Describe the variables in your dataset, and refer to any tables of summary statistics. Most importantly: state (1) *why* your data is appropriate to answer your question; and (2) what (if any) data shortcomings you face.
2. The different empirical specifications that you estimate. For each table which contains estimation results, you should describe in complete detail the regression results which are reported in each one.

**Results and interpretation** Here you should highlight *at least five* important results, from the tables.

- Be precise in describing the results: don't just say "prices are higher in monopoly markets", but use numbers and say "prices are higher by an average of \$49.32 monopoly markets, as shown in Table 7" (always tell the reader where they can find the result that you describe).
- Describe how robust this result is across the different empirical specifications that you tried.
- For each result, provide a very precise interpretation, in the theoretical context you sketched earlier.

- For each interpretation, provide a alternative interpretation. Then defend your original interpretation.

**Conclusion and extensions** Here do two things:

1. Summarize your results *briefly*. No more than 2-3 sentences. Are there any policy implications?
2. Describe possible extensions of your work. Possible extensions: can the same data be used to address another question? Can the same question be interesting in another market?