

MSc in Economics at the University of Edinburgh: Preparing yourself for the Programme

Broadly speaking, we expect students entering with economics degrees to have covered the three main areas of *microeconomics*, *macroeconomics*, and *econometrics*, up to the level of a UK honours undergraduate degree. As a guide, we list below a range of books that we think give good coverage of these areas at the honours undergraduate level. You should make sure you are comfortable with this material and that it is fresh in your mind when you start your postgraduate studies in Economics at Edinburgh.

If your first degree was not in economics but in a related degree or degree in maths, then it is especially important you review this material in some detail so that you are at least familiar with the main concepts, techniques and core models used by economists before you start.

Microeconomics

Intermediate Microeconomics by Hal Varian

Microeconomic Theory by Walter Nicholson

The first semester of microeconomics begins with price theory, consumer and producer theory, and then moves on to uncertainty and game theory. You can get a good introduction to these topics from most intermediate/advanced microeconomics textbooks. We think that *Intermediate Microeconomics* by Hal Varian is a particularly good preparatory book. *Microeconomic Theory* by Walter Nicholson is also very good (if slightly more advanced).

Macroeconomics

Advanced Macroeconomics by David Romer

Macroeconomics by Greg Mankiw

Macroeconomics by Nils Gottfries

Introduction to Economic Growth by C Jones,

Macroeconomics: A European Text by M Burda and C Wyplosz

Macroeconomics by O Blanchard.

The first semester of macroeconomics follows the initial chapters on growth and business cycles of David Romer's *Advanced Macroeconomics* fairly closely, so students would be well advised to have a look at that book to see what topics need to be learned or reviewed. *Macroeconomics* by Greg Mankiw gives a good informal, not-too-technical review of most of these topics. Other good books include *Macroeconomics* by Nils Gottfries or *Introduction to Economic Growth* by C Jones, *Macroeconomics: A European Text* by M Burda and C Wyplosz, and *Macroeconomics* by O Blanchard.

Econometrics

We find students starting the MSc have a wide variety of backgrounds in mathematics, statistics, and econometrics. The MSc programme itself starts with two preliminary courses, one in maths and one in statistics and econometrics, whose main objective is to refresh students' knowledge in these areas. You will find it extremely useful to spend some time



reviewing your basic maths and statistics before beginning the programme (you will find a review course available on the SGPE website).

You might also find it very useful to sign up for the Basic statistics course running during the first week of September (further information is available on the SGPE website).

(i) Maths

Mathematics for Economics and Business by Jean Soper

Fundamental Methods of Mathematical Economics by A Chiang

Mathematics for Economics and Business by Jean Soper covers the basics of algebra, elementary calculus, and logarithmic and exponential functions at a fairly elementary level; you should be fully familiar with all of this material. More appropriate for the aspiring postgraduate student is *Fundamental Methods of Mathematical Economics* by A Chiang (which is the current recommended text for the preliminary maths course). Apart from the topics mentioned above, you should also be familiar with elementary linear algebra (vectors and matrices), even if this is limited to the 2x2 case; see Chiang Chapters 4 and 5.

(ii) Statistics

Statistics by Freedman, Pisani and Purves

Introductory Econometrics by Barreto and Howland

Statistics for Economics, Accounting and Business Studies by M Barrow

Introductory Statistics for Business and Economics by T Wonnacott and R Wonnacott

It is very important that you have a good grasp of basic probability and statistics before you start the MSc. An excellent book that begins from the very basics is *Statistics* by Freedman, Pisani and Purves (any edition will do). For those who like to do more hands-on analysis, *Introductory Econometrics* by Barreto and Howland uses Excel. Other very useful books are *Statistics for Economics, Accounting and Business Studies* by M Barrow and *Introductory Statistics for Business and Economics* by T Wonnacott and R Wonnacott.

(iii) Econometrics

Analysis of Economic Data by G Koop

Introductory Econometrics: A Modern Approach by J Wooldridge

Basic Econometrics by D Gujarati

A Guide to Econometrics by P Kennedy

A very readable 'hands on' book about applied econometrics is *Analysis of Economic Data* by G Koop. However, the following develop the material at a more advanced level, and provide a good foundation from which to go on to study econometrics at the postgraduate level: *Introductory Econometrics: A Modern Approach* by J Wooldridge and *Basic Econometrics* by D Gujarati. *A Guide to Econometrics* by P Kennedy provides an intuitive feel for econometric concepts and techniques – a useful supplement that explains what is going on in undergraduate and postgraduate textbooks full of proofs and formulae.