

Empirical Labor Economics
Final Exam (Winter Semester 2024/25)
60 Points

Note: Choose either **Part 1** or **Part 2**. If you answer both parts, we will only consider Part 1.

Part 1:

- 1.1. Explain the difference-in-differences method and provide an example with an illustration. *(20 points)*
- 1.2. Discuss the relationship between schooling and wages. Provide an instrumental variable example from the literature. *(40 points)*

Part 2:

- 2.1. Explain the difference between a proxy variable and an instrumental variable. Provide examples for both. *(20 points)*
- 2.2. Discuss the relationship between family size and schooling. Provide an instrumental variable example from the literature. *(40 points)*