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I doubt this second edition is perfect, ether, is in Fobreve it improves the first edition, but I have made some changes that will contribute to the reader's understanding of several topics. For example, Chapter 11 which covers more advanced topics in linear punel data models, has been rearranged to progress more naturally through situtions where instrumental variables are needed accorplottion validanethods for accounting for anolyserved heterogeneity. Data problems—including comoting, sample selection, attrition, and stratified sampling—are now postponed until Chapters 19 and 20, after popular nonlinear models are presented under random sampling. I think this change will further emphasize a point I tried to make in the first edition. It is critical to distinguish between specifying a population model on the one hand and the method used to sample the data on the other. As an example, consider the Tobit model, in the first edition, I presented that forbit model as applying to two separate cases: (1) a response variable is accorner solution outcome in the population (with the conner usually at zero) and (2) the underlying variable in the population is continuously distributed but the data splication scheme involves censoring the response in some way. Many readers commented that they were happy I made this distinction, because empirical researchers often seemed to confuse a corner solution due to economic behavior and a corner that is arbitrarily created by a data consoring mechanism. Nevertheless, I still found that beginners did not always fully appreciate the difference, and poor practice in interpreting estimates lingered. Plus, combining the two types of applications of so-called "censored regression models" gave short shrift to true data censoring. In this edition, models for center solutions in the population are treated in Chapter 17, and a variety of data censoring schemes are covered in more detail to Chapter 19.

As in the first edition, I use the approach of specifying a population model and imposing assumptions on that model. Until Chapter 19, random sampling is assumed to generate the data. Unlike traditional treatments of say, the linear regression model, my approach forces the student to specify the population of interest, propose

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