

Moravian College  
Department of Economics and Business  
**Economics 256: Applied Econometrics**  
Fall 2012 (M W 8:55 – 10:05)

Instructor: Eva Marikova Leeds, Ph.D., Associate Professor  
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Office Hours: M W 4:00-5:30 PM, Tu 2:00-3:00 PM, and by appointment

**Prerequisites:** Economics 152 and 156

**Text:** A. H. Studenmund, *Using Econometrics*, Pearson/Addison Wesley, 2011, 6th edition.  
Bring it to class every day!

**Course Objectives:**

This course applies statistical techniques to economic models. Specifically, you will have an opportunity to

- Apply the classical regression model to different data sets
- Learn how to deal with different complications that arise in regression estimation, including self-selection and simultaneous determination
- Test hypotheses
- Become familiar with the Greek alphabet

**Requirements:**

**Homework** is due every time we finish a chapter. Doing homework is the best way to learn the material—and some homework problems are on the exams! Every neat and completed homework counts for 0.5% of your grade; it is not graded.

I distribute or post answers to all HW, and I review selected HW problems in class.

Please turn in all HW before class time on the day it is due. I do **not** accept late HW.

- If you are doing HW with someone else, you must **acknowledge** any help received, or provided, by writing the other student's or tutor's name on your HW.
- If you fail to do the HW, your final grade will be two fractions of a grade lower. Moreover, you will struggle with the exams, which will endanger your grade.
- If you fail the first exam, you must seek help from me or the tutor. You must have a tutor's signature on your HW until the next exam for the HW to count.

Two **regression** projects consist of finding and analyzing your own publically available data and. The simple regression project (due October 17) is a thorough review of ECON 156, and the multiple regression project (due November 19) incorporates the techniques from this course.

There are three **exams**, each covering three to four chapters. I provide all necessary formulas on the board or on a handout, but you must memorize the simplest ones. I also offer an optional final exam, which can replace your lowest exam grade. There are **no make-up exams**. If you miss one of the three exams, you must take the final exam.

You must not use **phones** during any exam. **Calculators** are allowed.

Exam **dates:**           Exam 1:       September 26 (Wednesday)  
                          Exam 2:       November 7 (Wednesday)  
                          Exam 3:       December 3 (Monday)  
                          Final Exam:   December 10 (Monday at 1:30 PM)

**Expectations:**

Some of you may find econometrics a bit challenging, but with diligence and dedication all of you can earn a good grade. For every one hour of class time, you should study an additional two hours. You must read the book and do the homework regularly, and you must study all homework assignments before each exam. I encourage you to see me during office hours, both alone and in groups. To ease your HW and exam preparation, I post slides and make announcements on **Blackboard**. Please check the site regularly!

I usually **curve** the exams (up to 100%) to give half the class As and Bs (and half C or less).

**Grading:**               Homework.....6%  
                              Simple Regression Project.....10%  
                              Multiple Regression Project.....20%  
                              Three Exams..... 64%

**Grading Scale:**

|                |               |                              |
|----------------|---------------|------------------------------|
|                | 93 - 100: A   | 90 - 92.99: A-               |
| 87 - 89.99: B+ | 83 - 86.99: B | 80 - 82.99: B-               |
| 77 - 79.99: C+ | 73 - 76.99: C | 70 - 72.99: C-               |
| 67 - 69.99: D+ | 63 - 66.99: D | 60 - 62.99: D- 00 - 59.99: F |

**Attendance Policy:**

I urge you to come to class regularly! Attendance does not enter your grade directly, but it has a large impact indirectly. It allows you to participate, learn from your classmates, and get a better sense of what is important. Moreover, the lectures and the text reinforce one another.

**Academic Honesty Policy:**

I encourage you to study in groups and to discuss all homework, but you must write the name of all students in the study group on your homework **and** you must write your own answers to earn any credit. If you work in groups, acknowledge it, yet provide the same answers, you earn one credit for the entire group.

The following rule holds for both homework and exams: If you copy an answer from another student or if you let another student copy from you, you will receive **zero** for the whole assignment or exam. Note that the punishment is the same for both parties.

Beware of **plagiarism**! If you are lifting phrases (of more than three words) or definitions from the textbook, the web, or any other source, use quotation marks and provide the page number, the URL, or the source citation. If you fail to use quotes, you will get **zero** for the HW.

Read the college academic honesty policy

at <http://www.moravian.edu/studentLife/handbook/academic/academic2.html>

**Special Accommodations:**

Students who wish to request accommodations in this class for a disability should contact Elaine Mara, assistant director of learning services for academic and disability support at 1307 Main Street, or by calling 610-861-1510. Accommodations cannot be provided until authorization is received from the Academic Support Center.

**Schedule:**

| <u>Week of:</u>          | <u>Topics</u>   | <u>Text</u>                  |
|--------------------------|---|------------------------------|
| Aug. 27                  | Regression Analysis   | Chapter 1                    |
| September 3<br>(1 class) | <u>Labor Day</u><br>Ordinary Least Squares  | Chapter 2                    |
| September 10             | Using Regression  | Chapter 3                    |
| September 17             | The Classical Model<br>Handout for 9-19 (religious holiday)                                       | Chapter 4                    |
| September 24             | Review<br>Exam 1 (9-26-12)  | Chapters 1-4<br>Chapters 1-4 |
| October 3                | Hypothesis Testing<br>Running Your Own Regression Project<br>Data for simple regression (10-5-12) | Chapter 5<br>Chapter 11      |
| October 8<br>(1 class)   | <u>Fall Break</u><br>Choosing Variables   | Chapter 6                    |
| October 15               | Choosing a Functional Form<br>Simple regression (10-17-12)  | Chapter 7                    |
| October 22               | Multicollinearity   | Chapter 8                    |
| October 29               | Review<br>Exam 2 (10-31-12)   | Chapters 5-8<br>Chapters 5-8 |
| November 5               | Serial Correlation<br>Data for multiple regression (11-7-12)                                      | Chapter 9                    |
| November 12              | Heteroskedasticity  | Chapter 10                   |
| November 19<br>(1 class) | Time-Series Models<br>Multiple regression (11-19-12)<br><u>Thanksgiving Break</u>                 | Chapter 12                   |
| November 26              | Dummy Dependent Variables<br>Review   | Chapter 13<br>Chapters 9-13  |
| December 3               | Exam 3 (12-03-12)<br>Evaluations  | Chapters 9-13                |
| December 15              | Final Exam  | Selected Chapters            |

The syllabus is subject to change.

[http://www.nytimes.com/2012/06/25/sports/olympics/2012-olympics-allyson-felix-and-jeneba-tarmoh-100-meter.html?\\_r=1&emc=eta1](http://www.nytimes.com/2012/06/25/sports/olympics/2012-olympics-allyson-felix-and-jeneba-tarmoh-100-meter.html?_r=1&emc=eta1)