Moravian College
Department of Economics and Business
Economics 256: Applied Econometrics
Fall 2014 (M W 8:55-10:05 and F 7:30-8:40 or 8:55-10:05)

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Office Hours: M W 4:00-5:30 PM and by appointment

Prerequisites: ECON 152 and ECON 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

- Review basic statistical concepts and notation
- Learn how to gather data
- Become familiar with the differences between Excel and SPSS
- 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 and evaluate the size of the effect

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.
Some **lab** work is based on data sets provided by the book. See the instructions on p. 25.
Turn in all HW before class time on the day it is due. Make **two** copies of HW 6 and 13 so you can turn one in and keep your notes as well. 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.

Two **regression** projects consist of finding and analyzing some publically available data. The simple regression project (due October 22) is a thorough review of ECON 156, and the multiple regression project (due November 12) incorporates the techniques from this course.

There are **four exams**. I provide all necessary formulas, but you must memorize the simplest ones. A take-home **final** is optional and can replace your lowest exam grade. It is a project using techniques from Chapters 13 or 16. There are **no make-up exams.** If you miss an exam, you must do the final project. Using **phones** and **leaving** the classroom are prohibited during any exam, but c**alculators** are allowed.

Exam **dates:**   Exam 1:   September 17 (Wednesday)
                        Exam 2:   October 8 (Wednesday)
                        Exam 3:   November 5 (Wednesday)
                        Exam 4:   November 19 (Wednesday)

Expectations: Some of you may find econometrics very challenging, but with diligence and dedication all of you can earn a good grade. I encourage you to see me during office hours, both alone and in groups. To ease your HW and exam preparation, I hand out notes; I post slides and make announcements on **Blackboard**. Check the site regularly!

	Times per week	14 weeks	Hours
In-class time			30
Syllabus review			1
Reading	4		56
HW	3		42
Evening Reviews			5
Simple Regression Project			10
Multiple Regression Project			20
Final Project			10
Total			174

Grading:		
	Homework (text)	6%
	Lab exercises	4%
	Simple Regression Project	10%
	Multiple Regression Project	20%
	Four Exams	60%

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

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

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 names of all students in the 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 <u>three</u> <u>consecutive</u> words) or entire 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 <u>http://www.moravian.edu/studentLife/handbook/academic/academic2.html</u>

Special Accommodations:

Students who wish to request accommodations in this class for a disability must contact Ms. Elaine Mara, assistant director of academic support services for academic and disability support, at the lower level of Monocacy Hall, or by calling <u>610-861-1401</u>. Accommodations cannot be provided until authorization is received from the Academic Support Center.

Schedule

Week of:	Topics	Text
August 25	Regression Analysis	Chapter 1
	Lab: Multiple regression using Excel; Dummy variables	RATE1
September 1	Ordinary Least Squares	Chapter 2
(no Labor Day)	Gary Smith: Statistics for Liberal Arts Students	
	Home Lab: SPSS handout	FINAID2
September 8	Using Regression	Chapter 3
	Lab: R^2	IPOD3
September 15	The Classical Model	Chapter 4
	Exam 1 (9-17-14)	Chapters 1-3
	Lab: Different samples: different estimates; return exam	DRINKS4
September 22	Hypothesis Testing	Chapter 5
	Data for simple regression (9-24-14)	
	Lab: Start project	
September 29	Choosing Variables	Chapter 6
	Running Your Own Regression Project	Chapter 11
	Lab: Creating bias	
October 6	Review	Chapters 4-6
	Exam 2 (10-8-14)	Chapters 4-6
	Lab: Return exam	
October 13	Fall Break	
(1 class & lab)	Choosing a Functional Form	Chapter 7
	Lab: Functional forms	HOUSE11
October 20	Multicollinearity	Chapter 8
	Simple regression project (10-22-14)	
	Lab: Diagnosing multicollinearity	SAT8
October 27	Serial Correlation	Chapter 9
	Heteroskedasticity	Chapter 10
	Data for multiple regression (10-29-14)	
	Lab: Creating data with random and correlated errors	DODGERS9 & GAS10
November 3	Time-Series Models	Chapter 12
	Dummy Dependent Variables	Chapter 13
	Exam 3 (11-5-14)	Chapters 7-9
	Lab: Return exam	MOUSE12
November 10	Dummy Dependent Variables	Chapter 13
	Experimental and Panel Data	Chapter 16
	Multiple Regression (11-12-14)	
	Lab	WOMEN13
November 17	Review	Chapters 10-13
	Exam 4 (11-19-14)	Chapters 10-13
	Lab: Return exam	

| November 24 | Experimental and Panel Data | Chapter 16 |
| (1 class) | <u>Thanksgiving Break</u> | |

| December 2 | Experimental and Panel Data | Chapter 16 |
| | Evaluations | |

| December 9 | Final project is due at 11:30—no extensions | |

The syllabus is subject to change—the changes will be posted on *Blackboard*.

National Geographic, June 2012, p. 35