Economics 5347
Econometrics
Graduate
Spring 2008

Instructor: Dr. Christopher Bartlett
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Time and Location: M,W 12:30-1:50, CB 301.

	Monday	9:00-10:30
Office Hours:	Tuesday	8:30-11:00
	Wednesday	3:30-5:00

Textbooks:

James H. Stock & Mark W. Watson, *Introduction to Econometrics*. Addison-Wesley, 2007, 2^{nd}ed.

ISBN 0-321-27887-9

Various economic articles will also be required throughout the semester.

Course Objective: Econometrics is the science (or more appropriately the art) of using statistical techniques to measure economic phenomena. The goal of this course is to provide you with a basic set of tools for use in this endeavor. Economic theory often tells us whether variables should positively or negatively correlated but is mute on the strength of these relationships. Econometric allows us to determine the strengths of these relationships, if they exist at all, paying particular attention to separating causality from simple correlation.

Grading: Your final grade will be based on 5 components as listed below.

Assignments	20%
Exam I	30%
Exam II	30%
Paper	20%

The grading scale is standard:

90-100%	A
80-89.99%	B
70-79.99%	C
60-69.99%	D.
$< 60\%$	F

- **Assignments:** You will have 4 assignments handed out throughout the semester, each worth 4% of your grade. The assignments will require both written work and work on the computer**. Assignments must be typed.** You should not discuss your assignments with other students. A key for each assignment will be provided after the assignment has been turned in. Every effort will be mad to have all relevant assignments returned before each exam, but this is not guaranteed. Thus, it is highly recommended that you keep a copy of your assignments for comparison with the key. The remaining 4% of your grade will be based on your review of an empirical paper of your choosing published in a major economics journal.

- **Exams:** There will be two exams in this class. The exams will require computer work similar to your assignments. Because of this exams will be held in a computer lab, not in the regular classroom. For technical reasons, only 10 students may use the computers at any given time, thus some students will be asked to come outside of regular course hours (either an hour early or an hour late). For those of you who choose to buy EViews and own an laptop, you will be guaranteed the opportunity to take the exam during normal hours. Because of room scheduling problems, the exams dates and times are still tentative. You will receive the official date and time of exams in writing as soon as possible (a minimum of 7 days before the exam).

- **Paper:** A major portion of your final grade for this class will determined by an original research paper. There are multiple deadlines for different portions of the paper throughout the semester. In total, the paper is worth 20% of your grade. It will be divided as follows: 2% for your proposal, 4% for your descriptive statistics (due on March 31^{st}), 4% for your presentation (on one of the last 2 days of class), and 10% for the final paper. Your paper should not exceed 10 pages and should follow the guidelines handed out in class.

EViews: Econometrics is a field that requires the use of advanced statistical software. All graded portions of this class will require the analysis of large data sets using EViews, an econometric package. EViews is available on Hankamer computers for your use. You are also welcome (even encouraged) to buy a Student Version of EViews. This will allow you to do much of the homework at home and at your leisure. The cost is $39.95 and it can be purchased here:
http://www.eviews.com/general/prices/prices_acad.html
Participation: Nobody likes a boring lecture - especially professors. The best way to learn the material (and to stay awake) is to be involved in the class discussion. You are expected to participate and will be called on in class. As per university policy, students must attend 75% of class meetings to receive credit for this course. Students missing more that 7 class periods will not receive credit.
Internet: This course will use the university Blackboard website. The address is http://my.baylor.edu. Please check your e-mail daily. I will use Blackboard to send e-mail so make sure that the default e-mail address on Blackboard is correct.
Academic Dishonesty: Cheating of any form will not be tolerated and will result in an F for the course. All students are expected to follow the university Honor Code. Read more about the university's policies here: http://www.baylor.edu/honorcode/

All assignments are to be completed individually without discussing the work with other students. Students agree that by taking this course, all required papers, exams, class projects or other assignments submitted for credit may be submitted to turnitin.com or similar third parties to review and evaluate for originality and intellectual integrity. A description of the services, terms and conditions of use, and privacy policy of turnitin.com is available on its web site: http://www.turnitin.com. Students understand all work submitted to turnitin.com will be added to its database of papers. Students further understand that if the results of such a review support an allegation of academic dishonesty, the course work in question as well as any supporting materials may be submitted to the Honor Council for investigation and further action.
Disabilities: Accommodations will be made for students with documented disabilities. Please see me by Monday, January 21^{st} to make special arrangements.

No aphorism is more frequently repeated in connection with field trials, than that we must ask Nature few questions, or, ideally, one question, at a time. [I am] convinced that this view is wholly mistaken. Nature [...] will best respond to a logical and carefully thought out questionnaire; indeed, if we ask her a single question, she will often refuse to answer until some other topic has been discussed.

-Ronald A. Fisher, 1926

Tentative Schedule

Date			Topic	Reading S&W	Assignments Due	Paper Deadlines
Jan.	14	M	Introduction	1		
	16	W	Review of Probability	2		
	21	M	**MLK - NO CLASS**			
	23	W				
	28	M	Review of Statistics	3		
	30	W				
Feb.	4	M	Simple Linear Regression	4	Assignment 1	
	6	W				
	11	M	Hypothesis Testing and C.I.	5		
	13	W	Dummy Variables			
	18	M	Multivariate Regression	6		
	20	W				
	25	M	Hypothesis Testing and C.I.	7		Proposal
	27	W			Assignment 2	
Mar.	3	M				
	5	W	EXAM I			
	10	M	**SPRING BREAK - NO CLASS**			
	12	W	**SPRING BREAK - NO CLASS**			
	17	M	Non-Linear Specification	8		
	19	W			Paper Review	
	24	M	**EASTER-NO CLASS**			
	26	W	Validity	9		
	31	M				Descriptive Statistics
Apr.	2	W	Binary Dependant Variables	11		
	7	M				
	9	W	Instrumental Variables	12	Assignment 3	
	14	M				
	16	W	Panel Data	10		
	21	M				
	23	W	Natural Experiments (Δ^2)	13		
	28	M				PAPER DUE
	30	W	Paper Presentation		Assignment 4	
May	5	M	Paper Presentation			
Final: Friday, May 9^{th} 2:00-4:00pm						