

ECON/AREC 335 Introduction to Econometrics

Fall 2009

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Class Meetings: Section 1 TR 9:30-10:45am (Clark C213), Section 2 TR 12:30-1:45pm (Clark C337).

Office Hours: TR 11am-12noon, or by appointment.

Course Website: login at <http://ramct.colostate.edu>

Textbook (required): James H. Stock and Mark W. Watson: Introduction to Econometrics, Brief Edition, 2008 (S&W). Only this brief edition is required. Note that an alternative text is James H. Stock and Mark W. Watson: Introduction to Econometrics, Second Edition, 2007. This alternative includes the material from the brief edition (word for word) along with additional chapters on more advanced topics. Those of you who anticipate keeping your textbook after the semester for use as a reference manual for more advanced econometrics classes, graduate school, or jobs involving statistical analysis may elect to purchase this full textbook instead of the brief edition. The brief edition should be available at the CSU bookstore and from online retailers. The full edition is available from several online sources.

Software (required): The use of statistical software is required. I recommend Gretl, which can be downloaded from <http://gretl.sourceforge.net> free of charge. (Note that both Windows and Mac versions are available by clicking on the links on the left-hand side of the main page.) However, if you are already familiar with alternative commercial software (e.g., STATA, SAS, EViews), you are welcome to use it for problem sets as long as you circle or highlight your answers.

Course Objective:

The course is designed to provide you with the tools that economists use in empirical investigations. Econometrics applies statistical and mathematical methods to the analysis of data to test economic theories and estimate relationships. This course is difficult but will provide practical skills and therefore should be extremely valuable.

Prerequisites:

Prerequisites for this course are principles of microeconomics and of macroeconomics (ECON/AREC 202 and ECON 204) AND statistics (STAT 201, 204, or 301), or the equivalent to these courses taken at a different university. The prerequisites for the course will be enforced. Econometrics REQUIRES mathematical and statistical methods.

Grading:

Grading will be based on 3 problem sets (that will require both written and computer work), 2 midterms, an individual final project (that also will require computer work), and a cumulative final exam. Final letter grading will include plus and minus grades.

Problem Sets (30%)

Midterm Exam #1 (15%)

Midterm Exam #2 (15%)

Individual Final Project (10%)

Final Exam (30%)

Course Policies:

Problem sets will be assigned at least one week before they are due. No credit will be given for late problem sets. Problems sets are due at the beginning of class on the assigned dates. It is your responsibility to deliver (or fax with a cover sheet) your problem sets to me early if you will not be in class. Problem sets will not be accepted via email. Working in study groups is encouraged. In all cases, problem sets must be written up and submitted individually. All pages of your problem set should be stapled, clipped, or otherwise attached together when submitted and questions should be answered in the correct numerical order. I reserve the right to take off points for not following this direction. You will NOT pass this class if you do not do the computer work for the problem sets and individual final project in addition to the written portions. Instructions for individual final projects will be distributed sometime before Thanksgiving Break. Projects will be based on data analysis and interpretation pertaining to a question that interests you.

The two midterm and final exam formats will be modeled after the problem sets and may include computer output that you will be responsible for interpreting correctly. The final exam will be cumulative. You are expected to submit your own work and use no unauthorized assistance

when taking exams. Academic dishonesty is not tolerated, and I will take precautions to prevent it. This includes random seating for examinations, exam proctoring, and/or photocopying of exams before returning them to you. Cheating will result in a failing grade (a zero) for the exam. Make-up exams will be given only for scheduled university functions or strenuous circumstances such as serious illness. Written documentation is required for all make-up requests. Documentation should be submitted prior to the exam date unless this is absolutely impossible. Approval of make-up requests is at my discretion.

You are expected to be present in class and are responsible for material covered in lectures whether or not that material is covered in the book. Furthermore, extra credit quizzes and/or other opportunities may present themselves in class. Disruptive behavior is not tolerated and is grounds for being asked to leave. This includes the use of cell phones in class. Offensive or demeaning treatment of an individual is not tolerated. Disruptive students will be referred to the department chair for further action.

Accommodations:

Students requesting special accommodations should contact Resources for Disabled Students (RDS) at 970-491-6385. Special accommodations for exams will not be granted without pre-approval from RDS. Please make arrangements early in the semester.

Syllabus and Reading List:

(This schedule is subject to change and will be revised later in the semester if necessary.)

Week of August 25: Economic Questions and Data, S&W Chapter 1.

Week of September 1: Review of Probability, S&W Chapter 2.

Week of September 8: Review of Statistics, S&W Chapter 3.

THURSDAY, SEPTEMBER 10: PROBLEM SET 1 DUE

Week of September 15: Linear Regression with One Regressor, S&W Chapter 4.

Week of September 22: Linear Regression with One Regressor, continued.

Week of Sept. 29: Hypothesis Tests and Confidence Intervals (One Regressor), S&W Chapter 5.

THURSDAY, OCTOBER 1: PROBLEM SET 2 DUE

Week of October 6: Hypothesis Tests and Confidence Intervals (One Regressor), continued.

TUESDAY, OCTOBER 13: MIDTERM EXAM #1 IN CLASS

October 15 and Week of October 20: Linear Regression with Multiple Regressors, S&W Chpt. 6.

Week of Oct. 27: Hypothesis Tests and Confidence Intervals (Multiple Regressors), S&W Chpt. 7.

Week of November 3: Nonlinear Regression Functions, S&W Chapter 8.

THURSDAY, NOVEMBER 5: PROBLEM SET 3 DUE

Week of November 10: Conducting Econometric Studies, S&W Chapter 10. (Note: This chapter is specific to the S&W brief edition. Copies of this chapter will be available for those of you who purchased the full edition of the textbook.)

TUESDAY, NOVEMBER 17: MIDTERM EXAM #2 IN CLASS

Thursday, November 19: NO CLASS

Week of November 24: THANKSGIVING BREAK, NO CLASS

Week of December 1: Assessing Econometric Studies, S&W Chapter 9.

Week of December 8: Assessing Econometric Studies, continued.

THURSDAY, DECEMBER 10: INDIVIDUAL FINAL PROJECT DUE

The FINAL EXAM will take place in your regular classroom. Date and time will follow the university exam schedule (<http://www.colostate.edu/Dept/Registrar/FA09%20final%20exams.html>).

You should take the exam with the particular section for which you are enrolled.