University of Virginia

Spring Semester 2018

**ECON 3720: Introduction to Econometrics**

Lecture

Tuesday and Thursday, 2 – 3:15 PM

Clark Hall 107

Instructor

Professor Leland E. Farmer

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Office: Monroe Hall 240

Office Hours

Thursday 11 AM – 1 PM, and by appointment

Teaching Assistants

Amzad Hossain

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Office Hours: TBD

Nick Embrey

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Office Hours: Monday 3 – 4 PM, Monroe Hall 208A

Discussion Sections

Mondays:

* 6 – 6:50 PM, New Cabell Hall 132
* 7 – 7:50 PM, New Cabell Hall 132
* 7 – 7:50 PM, New Cabell Hall 168
* 8 – 8:50 PM, New Cabell Hall 132

Prerequisites

A very good understanding of basic statistics (such as Stat 2120 or 3120) and multivariate calculus (such as Math 1220 or 1320) will be assumed. You may not take intro statistics concurrently with Econ 3720. Economics 2010 and 2020 are also highly recommended.

Introduction

This course is an introduction to econometrics, which is the theory and practice of analyzing economic data. Topics include statistical theory, measurement, and applications. Theoretical discussions and problems will be connected to analysis of real data. At the end of the course successful students will be qualified to understand and conduct simple economic data analysis in the real world.

Grading

Homework: 10 %

Midterm 1: 25 %

Midterm 2: 25 %

Final Exam: 40 %

Required Materials

**Book**

*Introductory Econometrics: A Modern Approach, 5th edition*, by Jeffrey M. Wooldridge. Copies of the 5th edition will be available in the bookstore and online. Slightly earlier / the latest editions should also be fine, but given that problems will sometimes be assigned directly from the textbook, please ensure that your edition’s problem numbers line up with the 5th edition’s.

**Software**

*Stata/IC 15.* You can either purchase a one year or perpetual license via this link,

<http://www.stata.com/order/new/edu/gradplans/campus-gradplan/>

Another option is to access Stata using the hive,

<http://its.virginia.edu/hive/>

using a remote desktop client.

Course Policies

**Homework**

There will be 8 homework assignments. Each assignment must be handed in at the beginning of the lecture on the day that it is due (usually Tuesday). Homework handed in late, even one minute late, will not be graded.

You are encouraged to work together on your homework assignments, and up to two students may hand in and receive credit together for a given assignment. If students collaborate, both students must understand and contribute to all the work handed in. Copying homework from other students, or failing to fully collaborate on joint assignments, will be regarded as an honor violation. Allowing another student to take partial or full credit for your work is also an honor violation.

Homework will be graded by the teaching assistant and a grader. Grades assigned by the TAs/grader are not subject to appeal unless an error was made by the grader (in other words, please don’t argue about how many points you think you should have received on a given problem). Your work is expected to be neat and legible, and typing your answers is encouraged. If the grader finds your work too sloppy and/or illegible, it will not be graded, or points will be taken off.

**Exams**

Exams will be a mix of multiple choice and short answer. The first two exams will take place during class and will last 75 minutes. All exams will be cumulative. Students will be permitted to bring one side of on page of notes for each new exam. That is, one side of one page for the first midterm, one full page (back and front) for the second midterm, and one page and one additional one side of one page for the final exam.

**Lectures**

Lecture notes/slides will be posted to *UVaCollab*, usually by the evening before the lecture is delivered. You are strongly encouraged to print out a copy of the slides before coming to class, so you can follow along and take notes on your copies of the slides.

Posted lecture notes/slides do not contain all the material which will be discussed in class, and failure to attend all lectures means that you are going to miss important material. Attendance at all lectures is required.

**Honor policy**

**Exam and other accommodations**

All students with special needs requiring accommodations should present the appropriate paperwork from the Student Disability Access Center (SDAC) to Professor Farmer. It is the student’s responsibility to present this paperwork in a timely fashion and follow up with the instructor about the accommodations being offered. Accommodations for test-taking (e.g., extended time) should be arranged with Professor Farmer at least a week before an exam.

Course Outline

The following is a tentative outline of the topics we will cover in this course and is subject to revision. Exam dates are fixed. Note that there will be NO CLASS on March 22nd.

**Week 0, Jan 18:** What is Econometrics? (Chapter 1)

**Week 1, Jan 23 and 25:** Review of Probability and Statistics (Appendices B and C)

**Week 2, Jan 30 and Feb 1:** Review of Probability and Statistics (Appendices B and C)

**Week 3, Feb 6 and 8:** Simple Linear Regression (Chapter 2)

**Week 4, Feb 13 and 15:** Simple Linear Regression and Review (Chapter 2)

**Week 5, Feb 20 and 22:** Review andMidterm 1 (Feb 22nd)

**Week 6, Feb 27 and March 1:** Multiple Linear Regression (Chapters 3-7)

**No class March 6 and 8 (Spring recess)**

**Week 8, March 13 and 15:** Multiple Linear Regression (Chapters 3-7)

**Week 9, March 20:** Multiple Linear Regression (Chapters 3-7)

**No class March 22**

**Week 10, March 27 and 29:** Multiple Linear Regression (Chapter 3-7)

**Week 11, April 3 and 5:** Review and Midterm 2 (April 5th)

**Week 12, April 10 and 12:** Instrumental Variables and Two Stage Least Squares (Chapter 15)

**Week 13, April 17 and 19:** Instrumental Variables and Two Stage Least Squares (Chapter 15)

**Week 14, April 24 and 26:** Time Series Econometrics (Chapters 10 and 11)

**Week 15, May 1:** Review

**Final Exam:** Thursday May 10th, 9 AM – 12 PM