Syllabus: Econ 3720
Spring 2018

Professor Ron Michener
University of Virginia
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Prerequisites

The prerequisite for this class is STAT 2120, APMA 3110, STAT 3120, or the equivalent. Although completing one of these classes with a grade of C+ or above is not formally a prerequisite for Econ 3720, a minimum grade of C+ in one of these introductory courses is a requirement for the Econ major. If you are planning to major in Economics but need to retake the introductory course in order to achieve a C+, I strongly urge you to complete the retake before attempting Econometrics. A strong knowledge of introductory statistics is very helpful in Econometrics.

A Note on the Recitation Sections

In some classes, recitation sections are little more than glorified office hours. That is not the case in ECON 3720. Recitation sections will meet in a computer lab in which you will each have access to a computer. You will be instructed in the use of STATA and given opportunities to work examples and ask questions in real time. The aim of ECON 3720 is to prepare you to actually do empirical analysis on your own and intelligently interpret the work of others. The hands-on experience gained in the recitation sections is an integral part of that training.

Textbook

The required text is *Using Econometrics, A Practical Approach, 7th Edition*, by A.H. Studenmund. There are additional readings, which will be made available as pdf files though Collab, under Resources. These additional readings are *required* and *very important*.

The textbook has a companion web site which has data sets and other supplemental material. Click here to visit the web site.

Software

Since this is a course in applied econometrics, we will make intensive use of STATA, a powerful statistical software package. STATA 15 is the most recent release. Because many handouts were composed using earlier versions of STATA, you may find small differences between the screen shots in the handouts and what you will see on your own computer. The University has a site licence for 45 simultaneous STATA users, and it is available in computer labs around grounds. However, the University license does not allow students (or faculty!) free copies for use on their own computers. One can, however, access one of the University's limited site licenses from your own computer using the Hive.

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

If you plan to use the Hive, you should follow the instructions you'll find at the URL above. I don't know enough about the matter to help you. If you intend to rely on the University licenses, understand that the licenses support only 45 simultaneous users, and the program is being used all across grounds. If you procrastinate on doing the Stata portion of your homework, you might find yourself unable to access the software because all 45 licenses are in use. Forewarned is forearmed. Do not leave assignments until the last possible minute, particularly if you are using the University's licences.

STATA is a very expensive piece of software, but the University does make it available at a healthy discount. You can rent a copy of "Stata/IC" (the version in the labs) to use for six months on your Windows/Mac/Unix computer for $45.00. Longer rentals and purchases are also possible. Of course, you can also do the assignments in University labs, and you will not have to rent the software at all. For further information on ordering STATA at a student discount visit this web site:

http://www.stata.com/order/new/edu/gradplans/student-pricing/

Grading

There will be eleven homework assignments over the course of the semester. These homework assignments will count for 25% of your grade. The first assignment will be done individually, but the rest will be group assignments. I will randomly assign the groups.

I plan to use clickers in class. Most of you should be familiar with clickers from the large sections of Econ 2010 and Econ 2020, and many already have an clicker. If you don't have a one, you can get one at the bookstore. To grade you on class participation I will ask some multiple

choice questions during class that you will answer using your clickers. Your grade on the clicker questions will count as 5% of your overall grade. Students will be expected to submit their own answers to clicker questions and not collaborate with other students in deciding on their answers. If you have your book or notes open when these questions are posed, you're permitted to glance over these materials in deciding on your answer. However, to avoid a prolonged interruption of the class, you are not to consult materials you didn't already have open on the desk when the question was asked. Because clicker questions are such a small fraction of the grade, there will be no excused absences for clicker grades.

There will be an in-class midterm that will also count for 25% of your grade. The midterm will be closed notes and closed book, but you will be allowed to use a calculator. The calculator you used in STAT 2120 is acceptable if you purge the memory for me before the test. A simple calculator that can add/subtract/multiply/divide/square root is all one would need. Such simple calculators can be found for under $5 if you don't own and can't borrow one. The calculator will be the only electronic aid you will be allowed. The exams won't require many calculations; even a simple calculator may be unnecessary if your arithmetic skills are good.

The final exam will count for 45% of your grade, and it will consist of two parts. One part, constituting 20% of your grade, will test your familiarity with STATA. You will be provided with a data set and asked to estimate certain parameters using STATA. If you know enough statistics to correctly interpret the question, and you can execute the correct commands and read the correct numbers off the output, that is all that will be required of you in this portion of the final. The other 25% of the grade will be based on a traditional final exam given under the same ground rules as the midterm.

A Note on the Homework Assignments

Because the assignments are going to be challenging to do and difficult to grade, I am going to have you form study groups, with each study group turning in one copy of each assignment (with the exception of the first assignment, which will be short and easy). To guarantee that this does not confer an unfair advantage or disadvantage on individuals, I plan to randomly assign students to study groups and reshuffle the study groups twice during the semester. Each study group will consist of about four students. I say "about" because the number of students in the class may not be evenly divisible by four. All students are expected to aid in the preparation of the study group's answers. To limit free riding, I will require each student to upload their contribution to group assignments a couple days before the group assignment is due. The draft should consist of at least 70 percent of the assignment, and it must be *the student's own work*. If all students submit the required drafts, the grade assigned will be a group grade based on the assignment submitted by the group. However, if a student fails to submit a draft or if a student submits a draft that does not make a good faith effort to answer the required percentage of the questions weighed by point value, that student will be receive a lower grade. The grade will be zero if there is no submission or if less than 60% of the lab has been done. If 60% to 69% of the lab has been completed, the student will receive 75% of whatever grade his or her group obtains on their group work.

I have discovered that these homework rough drafts will prove problematic for some students. Some submit the wrong file; some tell me Collab refused to accept their submission; some cut corners and only provide partial answers to a section, only to have the graders deny them credit for that section, pushing their percentage completed below 70%; some fail to pay careful attention to due dates and discover too late that they have missed one. Submitting homework rough drafts in a timely fashion is your responsibility, however. *Be sure to submit the correct file on time*. If Collab for some reason will not accept your submission *immediately email your homework to me and to your teaching assistant*; the time stamp on the email will establish that it was completed on time. For full credit, you must submit the rough draft when it is due. Collab will accept rough drafts up to two hours late, but if you submit a draft during this window, you will receive only three quarters of the grade assigned to your group. If the draft is late and is also only 60-69% completed, you will receive only half the grade assigned to your group. Rough drafts more than two hours late will not be accepted. *The submission deadlines will not be waived*.

Homework is Pledged. When doing the homework, you are permitted to use the text, STATA help files, class notes, and any handouts provided in class. *If there exist STATA do files or STATA log files created by students or instructors in previous semesters, or written answers to the homework questions developed by students or instructors in previous semesters, such as might be found in fraternity files or on the internet, you are not permitted to consult them or use them in any way in preparing rough drafts or final group submissions. When the semester is over, you are not allowed to share your do files, log files, rough drafts or group submissions with later cohorts of students. Consulting or sharing this material will be treated as an honor offense.* Neither are you allowed to copy or consult another study group's homework answers. Each individual is expected to individually work each problem he or she submits as part of the rough draft; Each study group is expected to collaborate among themselves to work each problem the group submits in the final draft. However, you may ask friends outside your study group for advice on how to do these problems - or ask the TA or myself for guidance - provided that you sit down and work the problem through on your own once you've gotten help. If you've received help, you should say in your pledge who helped you and what sort of help they provided.

Academic Honesty

Academic Honesty is a course requirement. Some years ago, the student body voted down a proposal that would have made academic dishonesty ipso facto serious under the honor system. This creates some ambiguity about what types of academic dishonesty are prohibited under the honor system as "serious" and what types are not. Just so there is no misunderstanding about my policy, I consider academic honesty a course requirement. If I come across compelling evidence of an intentional act of misconduct in this area, I reserve the right to fail a student (or otherwise penalize a student's grade) whatever the outcome of possible honor proceedings. Some specific acts that could result in your failing the course are (a) handing in homework or homework drafts that are not your own (see the discussion under homework above), which would include homework or homework drafts copied from either past or current students; (b) cheating on the midterm or final exam; (c) submitting i>clicker answers for another student, or giving your i>clicker to another student so that they can submit answers on your behalf; (d) collaborating

with fellow students on the answers to iclicker questions. Students who are accused of an honor violation and take an informed retraction will automatically receive a failing grade in the class.