ECN 425: Introductory Econometrics

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Arizona State University: Spring 2019

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Office Hours: Tuesday, Thursday: 11:45-1:00
Lecture: Tuesday, Thursday: 10:30-11:45, BAC 201
Web Site: Blackboard


Course Objectives & Expected Learning Outcomes:

The objective of this course is to help students develop a working knowledge of basic econometric theory and methods. Topics will include regression analysis, hypothesis testing, prediction, heteroskedasticity, and autocorrelation. The use of econometric results in the assessment of economic theory will be emphasized.

Prerequisites:

1. One semester of intermediate micro theory (ECN 214 or ECN 312/314).
2. One semester of statistics (ECN 221 or STP 226 with a grade of C or greater).

Grading:

The grading scale is: 97-100 = A+, 94-97 = A, 90-93 = A-, and so on. Grades will be based on two midterms, a cumulative final exam, and several problem sets. They will be weighted as follows:

1st midterm: 20%
2nd midterm: 20%
final exam: 30%
problem sets: 30%

Classroom Policy: Please put devices on silent mode.
Lecture notes:

Lecture notes will not be posted online. If you miss lecture, you may stop by during office hours to hand copy my notes.

Tutoring:

Tutoring is available at ASU’s Economics Tutoring Center. For information see: https://wpcarey.asu.edu/economics-degrees/tutoring

Exams:

Students who cannot be present for an exam must notify me in advance, if possible, and document the reason for their absence. For those with a legitimate excuse, the final exam score will be substituted for the missed exam. Otherwise a zero will be recorded for the missed exam. See the Academic Affairs Manual Sec. 304-04 and 304-02 for ASU-wide policies on accommodations for religious practices and university activities. Students requesting accommodations for a disability must be registered with the Disability Resource Center and submit appropriate documentation.

Problem Sets:

There will be 5 problem sets. You may form study groups to work on the problem sets together. However, each student must turn in assignments written in their own words. Answers that are clearly duplicates will receive a grade of zero. Violations of this rule and cooperation on exams will be handled according to University policy. For additional information see http://provost.asu.edu/academicintegrity and https://my.wpcarey.asu.edu/academic-integrity/upload/Undergraduate-Honor-Code.pdf. Late assignments will be accepted until solutions are distributed at a cost of 10% per day.

Software:

Throughout the course, we will use the software program Stata to conduct econometric analysis. You will need to use Stata to complete the problem sets. Exam problems may require you to interpret Stata output. To access Stata, you can log in to the Citrix website: https://studentappst.asu.edu/vpn/index.html. If you have trouble, please contact the WP Carey Technical Assistance Center. Their hours are Mon-Fri: 7am – 9pm. Sat-Sun: Emergency only. 480-965-2400. wpcarey.support@asu.edu Alternatively, you can purchase an IC license from Stata for six months ($45) or one year ($89) at http://www.stata.com/order/new/edu/gradplans/student-pricing/.
Tentative Course Outline

I. INTRODUCTION
   i. What is econometrics? W chapter 1
   ii. Univariate regression model W chapter 2

II. MODELS FOR CROSS-SECTION DATA
   i. Multivariate regression model W chapter 3
   ii. Inference W chapter 4
   iii. Asymptotics W chapter 5
   iv. Model specification W chapter 6
   v. Dummy variables W chapter 7
   vi. Heteroskedasticity W chapter 8
   vii. Specification problems W chapter 9
   viii. Limited dependent variable models W chapter 17

III. MODELS FOR PANEL DATA
   i. Properties of OLS estimator W chapter 13
   ii. Selected estimation issues W chapter 14

IV. INSTRUMENTAL VARIABLES W chapter 15

Exam Dates

Midterm 1: Week of February 18\textsuperscript{th} (TENTATIVE)

Midterm 2: Week of April 1\textsuperscript{st} (TENTATIVE)

Cumulative Final Exam: Tuesday, April 30\textsuperscript{th} 9:50-11:40 AM