Introduction to Econometrics (ECON 4310.01)
Spring 2013
Texas A&M University-Corpus Christi
College of Business

Instructor: Dr. Deniz Gevrek
Section & Location: Section 001, Tuesday-Thursday 9:30-10:45am; OCNR 132
Office Hours: Tue: 11am-2pm; Wed: 1-4pm or by appointment.
Office: OCNR 366
E-mail: deniz.gevrek@tamucc.edu
Phone: (361) 825 3601
Course Web Page: all course materials will be posted on Blackboard 9.1
STATA software (REQUIRED): to purchase at a heavily discounted rate, go to http://www.stata.com/order/new/edu/gradplans/student.html; choose “Small Stata 12” six-month license.

Prerequisites: ECON2301, ECON2302, ORMS3310 (or MATH 1342 or equivalent) and junior standing or above.

Course Description:
The main objective of this course is to teach you to use the techniques of econometrics that will be useful in the future at work whenever you are required to conduct data analysis. You will use many of the techniques taught in the course in your work in management and other consulting companies (including litigation consulting), financial and government institutions and non-profit organizations (pretty much any job you can get with an Economics degree). Econometrics requires some statistical theory, but the main focus will be on applying econometric techniques in real life. Econometrics should be the most useful thing you learn as an undergraduate Economics major. The course enables you to formulate and test econometric hypotheses, and covers the theory and practice of: Ordinary least-squares regression, problems of heteroskedasticity, multicollinearity and autocorrelation, qualitative independent and dependent variable, and simple time-series analysis. Students are expected to use statistical software packages as part of this course. You should have access to a computer that has Microsoft EXCEL, and STATA on it. You can purchase the STATA software at: http://www.stata.com/order/new/edu/gradplans/student.html

Relationship to Other Coursework:
This is a course that prepares students with quantitative and research skills for other courses in economics, finance and other related programs.

Instructional Methodology:
The class will be interactive. A variety of learning methodologies will be used, such as: lectures, class discussions, homework exercises and research projects.

How to succeed:
Part of your responsibility as a TAMU-CC student is to attend classes and take notes. This is an essential part of the learning process. Please see my attendance policy below for more details. I will post on my course site some lecture materials, but not detailed lecture notes. Attendance to the class and keeping up with the readings are essential to pass this course. Do not forget that it is in your best interest to finish the reading assignment before each class. The detailed class schedule, which is subject to changes and revisions
throughout the semester, is on the last page of this syllabus should tell you which chapters to read before you come to class. The class notes and the textbook are complementary to each other so use them both preparing for the tests. I also encourage you to work in study groups.

**Attendance Policy:**
Students are held responsible for class attendance. Class attendance is a necessary but not sufficient condition for active class participation and satisfactory course performance. Students absent from classes are responsible for making arrangements to submit assignments due, material discussed, and announcements made in class. Assignments missed due to absences cannot be made up except for illness or other emergencies, in which case a doctor’s note or other official documentation is required to accompany the assignment.

**Performance Evaluation and Grading:**
Your grade will be based on two midterm exams, attendance, problem sets, and a final test. The first midterm is on Thursday, February 21, will cover material up to and including lecture 8. The second midterm is on Thursday, April 4 will cover lectures 10-18. These two midterm scores will make up 40% of your final grade (each 20%). There will be NO MAKEUP tests under ANY circumstances, DO NOT make any plans for these days. Please read on for my policy on missed examinations.

Attendance will make up 10% of your grade. We will meet 28 times and I will take attendance during the 25 classes except for the first day of the class and two days we have midterm exams. Each class is worth 0.4 in terms of attendance\(\rightarrow 25*0.4=10\%\). Students entering class 5 minutes past the class start time will lose half of their attendance grade, students who are late more than 10 minutes receive zero for attendance.

The 5-page paper is a replication project is due on Monday, May 6. The project is to be completed individually. You will be replicating the main results of a published academic paper. You will be given options and will be provided the data sets. Each student will choose a paper topic before March 5. The paper should show that you have learned how to use econometric techniques and can write up the results. Additional details will be provided in the class.

There will also be approximately six problem sets, of which the one with the lowest grade can be dropped. Assignments will be distributed in the class or posted on the course web page and please see the tentative course schedule for problem set due dates. Late homework will NOT be accepted under any circumstances. You are allowed, and in fact encouraged, to work on the problems in groups. However, you must write up your own answer and cannot copy from someone else, even if you worked with that person together. Problems sets that contain identical answers will collectively receive zero points. You must do the problem sets to succeed in this course.

The final test will be comprehensive, but will draw more heavily on lectures after the first midterm. Final makes up 20% of your grade. Registrar’s Office scheduled the final test on Thursday, May 9th, at 8am at our regular class location. Do not plan to leave before this date because there is no makeup test for the final. University policy requires that you take the final exam at the time Registrar’s office determines. If you miss the final you will lose the 20% of your grade with no exceptions.

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Attendance</td>
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<td>Problem Sets</td>
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<td>Midterms (20% each)</td>
<td>40%</td>
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<td>Research Project</td>
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<td>Final Exam</td>
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<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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Your letter grade will be based on your cumulative number of points. The approximate letter grades will be as follows, but I reserve the right to adjust the cut-off points. I will use standard rules for rounding and the following conversion table for the absolute scale:

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<th>percent</th>
<th>90.0 – 100.0</th>
<th>80.0 – 89.9</th>
<th>70.0 – 79.9</th>
<th>60.0 – 69.9</th>
<th>0.00– 59.9</th>
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<tr>
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<td>C</td>
<td>D</td>
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**Grading Policy:**
The dates of the two midterm exams and the final, as well as the problem sets are **fixed**. There will be NO makeup tests, problem sets under any circumstances. Missed exams generally will be treated as zeroes; only serious and substantiated medical, university related or personal emergencies may be accepted as legitimate excuses for a missed exam. No exceptions will be made for job interviews, Spring Break travel, or other non-academic activities. If you miss a midterm for a legitimate reason, then its weight will be shifted to other midterm and final, i.e. 10% will be shifted to the other midterm (other midterm will count as 30% of your grade) and 10% will be shifted to the final (final exam will count as 30% of your grade). If you fail to take any midterms, your final test will have a weight of 60%, but I strongly suggest you to not to put yourself in any of the above situations. Students who are athletes present an official letter from the University if any of the test dates causes conflict with their scheduled activities. This letter must be presented in advance to me.

Your grade is determined solely by your performance, not by the instructor’s. There will not be any additional credit opportunities after the final test to supplement your grade. You earn your grade based on your performance not based on your needs or wants. The main purpose of my policies is fairness, I believe in rewarding those people who take their responsibilities seriously.

**Course Withdrawal Policy:**
**THE LAST DAY TO WITHDRAW FROM A COURSE WITH AN AUTOMATIC “W” IS 3:00 PM, FRIDAY, April 12, 2013.** Please keep in mind that there is a maximum of SIX class withdrawals allowed during a student’s undergraduate career in Texas institutions.

**Classroom/professional behavior:**
Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.

**Classroom Etiquette:**
Examples of classroom misconduct that may affect student evaluation include:
1. *Habitually* entering or leaving the classroom during class time without the consent of the instructor,
2. Using any telecommunication device (definition: Use of a mobile phone during class, including text messaging, surfing internet. Out of respect for your fellow classmates mobile phones are to be turned off and placed in your bag or pocket. If you are caught using a phone the instructor reserves the right to confiscate the phone and return it at her convenience.)
3. Talking or chit-chatting with other students, and any other activities that are disruptive to the learning environment are also not allowed.
Students caught engaging in such activities should expect class or course dismissal along with a letter of reprimand placed in their academic files.
According to the University policy, **no cell phone is allowed** in a room when a test/exam is taken.

**Academic Honesty Policy:**
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at [www.cob.tamucc.edu](http://www.cob.tamucc.edu)). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.
Students who violate University rules on scholastic honesty are subject to disciplinary penalties, including the possibility of failure in the course and dismissal from the University. Since dishonesty harms the individual, fellow students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced.

**Disabilities Accommodations:**
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in 116 Corpus Christi Hall.
If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

**Grade Appeals:**
As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at [http://www.tamucc.edu/provost/university_rules/index.html](http://www.tamucc.edu/provost/university_rules/index.html). For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.

**Oral and Written Communication Content:**
Student projects and assignments will provide opportunities for evaluating students’ performance in oral and written communications. This course emphasizes accuracy and relevance in writing technical research papers.

**Technology Applications:**
This course emphasizes the development of statistical and quantitative skills. In particular, students are required to use a computer software program STATA to conduct statistical analysis. Reports and presentations will be also computer generated. Students are also expected to use the Internet extensively for information and data gathering. Students may use computers in class for note taking and presentations.

**Ethical Perspectives:**
Discussions related to ethical issues in data collection and reports will be provided.
Global Perspectives:
Throughout the course, there will be analyses and comparisons of economic and business decision-making processes in the U.S. and those in other countries.

Demographic Diversity Perspectives:
There is ample opportunity to compare and discuss demographic diversity in the course, particularly within the context of statistical and sampling analyses for different races, genders, education and income levels.

Political, Social, Legal, Regulatory, and Environmental Perspectives:
The U.S. and other countries’ decision-making processes will be examined throughout the course. How our statistical and sampling practices affect political, legal, government policy and economic outcomes are continuing topics for discussion throughout the course.
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<tr>
<th>WEEK 1</th>
<th>Lecture</th>
<th>Date</th>
<th>Subjects Covered</th>
<th>Chapters</th>
<th>PS’s due dates</th>
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<td></td>
<td>1)</td>
<td>Thu, Jan 24</td>
<td>PART I -- THE BASIC REGRESSION MODEL An Overview of Regression Analysis; Start Review of Statistics</td>
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<td>2)</td>
<td>Tue, Jan 29</td>
<td>Finish 17, Start Ordinary Least Squares</td>
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<td>3)</td>
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<td>WEEK 2</td>
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<td>Finish 2 and STATA introduction</td>
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<td>5)</td>
<td>Thu, Feb 7</td>
<td>Learning to Use Regression Analysis</td>
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<td>WEEK 3</td>
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<td>Tue, Feb 12</td>
<td>The Classical Model</td>
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<td>7)</td>
<td>Thu, Feb 14</td>
<td>Hypothesis Testing</td>
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**Thursday, May 9, 8am**  FINAL TEST