Introduction to Econometrics (ECON 4310.01)
Spring 2017
Texas A&M University-Corpus Christi
College of Business

Instructor: Dr. Deniz Gevrek
Section & Location: Section 001, Wednesday 4:20-6:50pm; OCNR 118
Office Hours: Tue: 11am-3:00pm; 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

Textbook and Software (Required):
2. STATA software (REQUIRED): purchase at a heavily discounted rate, go to http://www.stata.com/order/new/edu/gradplans/student.html; choose “Small Stata” six-month license ($38).

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 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 (choose small STATA: For students with very small datasets.)

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 project.
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, a research project, and a final test. The first midterm is on Wednesday, February 15, will cover material up to and including lecture 4. The second midterm is on Wednesday, March 29 will cover lectures 5-9. These two midterm scores will make up 40% of your course 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 14 times and I will take attendance during the 12 classes except for the two days we have midterm exams. While I will take attendance every class, a student gets the full 10% as long as s/he attends 10 classes (each class is worth 1 point). Students entering class past the class start time will lose half of their attendance grade, students who are late more than 5 minutes receive zero for attendance. Students who engage in fraudulent activity regarding attendance even once (i.e., students who are absent but have their friends sign the attendance sheet in place of them) lose the entire attendance grade and face disciplinary action.

Econometrics paper project is due on Sunday, April 30 at 8 pm US CT via TUNRITIN.COM. The project is to be completed individually. You will be replicating the main results of a published academic research paper. You will be given options and will be provided the data sets. Each student will choose a paper topic before March 2. 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 and/or via Blackboard 9.

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. Problem sets are due in class. 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 Wednesday, May 10 at 4:30pm at our regular class location. Do not plan to leave before this date because there is no makeup test for the
**final exam.** 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.

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Attendance</td>
<td>10%</td>
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<tr>
<td>Problem Sets</td>
<td>10%</td>
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<tr>
<td>2 Midterms (20% each)</td>
<td>40%</td>
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<tr>
<td>Research Project</td>
<td>20%</td>
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<tr>
<td>Final Exam</td>
<td>20%</td>
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<tr>
<td>Total</td>
<td>100%</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:

<table>
<thead>
<tr>
<th>Percent Range</th>
<th>Letter Grade</th>
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<tbody>
<tr>
<td>90.0 – 100.0</td>
<td>A</td>
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<tr>
<td>80.0 – 89.9</td>
<td>B</td>
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<tr>
<td>70.0 – 79.9</td>
<td>C</td>
</tr>
<tr>
<td>60.0 – 69.9</td>
<td>D</td>
</tr>
<tr>
<td>0.00 – 59.9</td>
<td>F</td>
</tr>
</tbody>
</table>

**Grading Policy:**

The dates of the two midterms 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 the 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 5:00 PM, FRIDAY, April 7.** Please keep in mind that there is a maximum of SIX class withdrawals allowed during a student’s undergraduate career in Texas institutions.

**Emergency Procedure:**

There are times where extenuating circumstances, such as an extended illness, family emergency, a death in the family or military deployment arise and the student must miss multiple days of school due to the situation. In these cases, it may be difficult for the student to contact their faculty due to the situation (i.e. hospitalization). **If your emergency is such that you only miss one or two days of class**, you can submit the documentation of your excuse as an email attachment to me via email at deniz.gevrek@tamucc.edu.

**If your emergency is such that you miss 3 or more consecutive days of class you must follow a different procedure:** The Dean of Students, in the Office of Student Engagement & Success, can assist students/families in this situation when a student is going to miss three or more consecutive days of class. This notification does not excuse the absence; it merely serves as a courtesy notification regarding the student’s situation. The faculty member will still make the decision on individual cases related to any missed
work, assignments or test. Documentation must be provided to the Dean of Students that supports the reason for the absence within one week of the original notice. For assistance in these types of situations, students should contact the Office of Student Engagement & Success at 361-825-2612 or go by the office in the University Center, Room 318.

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. Copying tests and quiz questions (definition of copying: making written or digital copies including but not limited to taking photos, videos etc.) with the purpose of distribution.
4. Posting inappropriate, unrelated and offensive comments on the online discussion forums and course web page.
5. Talking or chit-chatting with other students, and any other activities that are disruptive to the learning environment are also not allowed.
6. Engaging in fraudulent activities regarding class attendance, discussion forums, assignments and tests.

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.

Statement of Civility:
Texas A&M University-Corpus Christi has a diverse student population that represents the population of the state. Our goal is to provide you with a high quality educational experience that is free from repression. You are responsible for following the rules of the University, city, state and federal government. We expect that you will behave in a manner that is dignified, respectful and courteous to all people, regardless of sex, ethnic/racial origin, religious background, sexual orientation or disability. Behaviors that infringe on the rights of another individual will not be tolerated.

Academic Integrity/Plagiarism Policy:
University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.) Any directly quoted information included in written assignments that is taken from textbooks, supplemental materials, or other published sources must include proper citations and source information.
Students caught engaging in such activities should expect a zero grade on the exam/assignment for the **first violation** and a letter of reprimand placed in their academic file. A **second violation** will result in an **automatic grade of F for the course**. Students in the class are subject to the CoB Student Code of Ethics.

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 Corpus Christi Hall 116.

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.

**Statement of Academic Continuity:**
In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus of Texas A&M University–Corpus Christi; this course would continue through the use of Blackboard and/or email. In addition, the syllabus and class activities may be modified to allow continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus. However, students need to make certain that the course instructor has a primary and a secondary means of contacting each student.

**Grade Appeals:**
As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, 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 Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site: [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 Dean’s office in the college in which the course is taught or the Office of the Provost.
Other Aspects of the Course:

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.
<table>
<thead>
<tr>
<th>Week</th>
<th>Lecture</th>
<th>Date</th>
<th>Subjects Covered</th>
<th>Chapters</th>
<th>PS's due dates</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1)</td>
<td>Wed, Jan 18</td>
<td>PART I -- THE BASIC REGRESSION MODEL&lt;br&gt;An Overview of Regression Analysis (1)&lt;br&gt;Review of Statistics (17)&lt;br&gt;Start Ordinary Least Squares (2)</td>
<td>1, 17, 2</td>
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<tr>
<td>2</td>
<td>2)</td>
<td>Wed, Jan 25</td>
<td>Continue Ordinary Least Squares</td>
<td>2</td>
<td>PS #0</td>
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<tr>
<td>3</td>
<td>3)</td>
<td>Wed, Feb 1</td>
<td>Finish 2 and STATA introduction; Learning to Use Regression Analysis (3)</td>
<td>3</td>
<td>PS #1</td>
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<tr>
<td>4</td>
<td>4)</td>
<td>Wed, Feb 8</td>
<td>The Classical Model (4)</td>
<td>4</td>
<td>PS #2</td>
</tr>
<tr>
<td>5</td>
<td>5)</td>
<td>Wed, Feb 15</td>
<td>In Class MIDTERM #1 and start Hypothesis Testing (5)</td>
<td>5</td>
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<td>6</td>
<td>6)</td>
<td>Wed, Feb 22</td>
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<tr>
<td>7</td>
<td>7)</td>
<td>Wed, Mar 1</td>
<td>start PART II -- VIOLATIONS OF THE CLASSICAL ASSUMPTIONS:&lt;br&gt;Specification: Choosing the Independent Variables (6)&lt;br&gt;Specification: Choosing a Functional Form (7)</td>
<td>6, 7</td>
<td>PS#3</td>
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<tr>
<td>8</td>
<td>8)</td>
<td>Wed, Mar 8</td>
<td>Multicollinearity (8), start Serial Correlation (9)</td>
<td>8, 9</td>
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<td>Wed, Mar 15</td>
<td>Spring Break – No Class</td>
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<td>9</td>
<td>9)</td>
<td>Wed, Mar 22</td>
<td>Finish 9</td>
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<td>PS#4</td>
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<tr>
<td>10</td>
<td>10)</td>
<td>Wed, Mar 29</td>
<td>In Class MIDTERM #2 and start Heteroskedasticity (10)</td>
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<td>11</td>
<td>11)</td>
<td>Wed, Apr 5</td>
<td>Finish 10; and Project discussion &amp; Running Your Own Regression Project (11)</td>
<td>11</td>
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<td>12</td>
<td>12)</td>
<td>Wed, Apr 12</td>
<td>PART III -- EXTENSIONS&lt;br&gt;Time Series Models (12)</td>
<td>12</td>
<td>PS#5</td>
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<tr>
<td>13</td>
<td>13)</td>
<td>Wed, Apr 19</td>
<td>Forecasting (15)</td>
<td>15</td>
<td></td>
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<tr>
<td>14</td>
<td>14)</td>
<td>Wed, Apr 26</td>
<td>Experimental and Panel Data (16)</td>
<td>16</td>
<td>PS#6</td>
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FINAL EXAM: Wednesday, May 10th at 4:30pm