University of Texas at Tyler
ECON 4350.003: Topics in Economics
Spring 2015

Instructor: Meryem Saygili
Office: BUS 239
Phone: 903-566-7366
Email: msaygili@uttyler.edu (preferred method of contact)

Place and Time: BUS 259, TuTh 12:30pm-1:50pm

Office Hours: MW 10:30am-12:00pm

Course Description: This course provides an introduction to econometric methods. The course introduces basic tools of regression analysis and hypothesis testing in economics. Students will learn computer software for regression analysis and use it to conduct their own empirical research.

Grading Policy: The components of the final grade are:

- Midterm: 20% (March 5, in class)
- Final: 30%
- Homework: 20%
- Project: 25%
- Attendance & Participation: 5%

The course will consist of a midterm exam (20%) and a final (30%). The midterm will be held during class time (Thursday, March 5). The final exam date and place are to be determined by the University. THERE IS NO MAKE-UP EXAM OR EXTRA CREDIT!

You will also have homework assignments (20%). These will include problems as well as empirical questions from the book that requires use of software. I will use SPSS for in-class demonstrations although I prefer using Stata for my own research. This is because SPSS is available in the computer lab at the Business building. SPSS is also available for rent if you want to have your own copy. This might be a good option as you need an econometrics software that enables you conduct regression analysis for your term project. If you are already familiar with another econometrics software, feel free to use that.

The project is basically a research paper that answers a well-defined economic question by using the econometric methods learned in class. The structure and time-line for the project are as follows:

1. Come up with an interesting, well-defined economic question that can be answered by empirical analysis. You should also indicate the data sources you will be using. An interesting question for which you cannot find relevant data sets does not work. Provide a copy of your question and data sources you plan to use in a paragraph or two by Thursday, February 5.
2. Do a detailed literature review. Discuss how your paper locates in the literature. Submit the introduction and literature review sections of your research paper by Tuesday, March 17.

3. Conduct the empirical analysis. Your empirical results and discussion of those results should constitute the third section of your paper. Finish your paper by including a conclusion section where you summarize your question, the methods you follow, and the results you get in a couple of paragraphs. Submit your final draft by Thursday, April 16. This deadline is sharp. No submissions after this date will be accepted.

4. Prepare a 15-minutes presentation of your paper and present it in the class on April 21 or 23. On each day four of your will present.

I don’t like imposing page restrictions but your paper should not be too short (less than 10 pages: double space, Times New Roman, font size 12) or too long (more than 30 pages). I prefer receiving hard copies, so I can provide you feedback.

Course Structure: I will use Blackboard for administrative matters related to the course. Make sure you receive emails sent through BB. Take notes during lectures, but do not audio or video tape lectures.


Course Outline: (topics near the end to be covered as time permits; “W”=Wooldridge)

1. Introduction (W 1)
   a. What is econometrics?
   b. Types of economic data
   c. Causality vs. correlation

2. The Simple Regression Model (W 2.1-2.5)
   a. Model and assumptions
   b. Ordinary least square (OLS) estimator
   c. Goodness-of-fit and R-squared
   d. Non-linear (logarithmic) transformations

3. The Multiple Regression Model (W 3)
   a. How do the simple regression results extend?
   b. Omitted variables bias
   c. Multicollinearity
   d. Gauss-Markov theorem: efficiency of OLS

4. Statistical Inference (“finite sample”) for OLS (W 4)
   a. Confidence intervals
   b. Single parameter tests: “t-test”
   c. Two-side vs. one-sided test
   d. P-values
   e. Multiple restriction tests: “F-test”
5. Asymptotic (“large sample”) Theory for OLS (W 5.1-5.2. skip the LM statistic in 5.2)

6. Additional Issues in Regression Analysis
   a. Prediction (W 6.4)
   b. Binary variables (W 7.1-7.4, 7.6)
   c. Interaction variables and polynomials (W 6.2)
   d. Heteroskedasticity (W 8.1-8.3, skip LM test in 8.2, skip White test in 8.3)
   e. Measurement error (W 9.4)

7. Binary Choice Models (W 7.5, 17.1)

8. Panel Data (W 13, 14.1, 14.3)
   a. Pooled cross sections
   b. Fixed effects

9. Instrumental Variables (W 15.1-15.3)
   a. Endogeneity
   b. Two-stage least squares estimation

**University Policies:**

**Students Rights and Responsibilities**

To know and understand the policies that affect your rights and responsibilities as a student at UT Tyler, please follow this link: [http://www2.uttyler.edu/wellness/rightsresponsibilities.php](http://www2.uttyler.edu/wellness/rightsresponsibilities.php)

**Grade Replacement/Forgiveness and Census Date Policies**

Students repeating a course for grade forgiveness (grade replacement) must file a Grade Replacement Contract with the Enrollment Services Center (ADM 230) on or before the Census Date of the semester in which the course will be repeated. Grade Replacement Contracts are available in the Enrollment Services Center or at [http://www.uttyler.edu/registrar](http://www.uttyler.edu/registrar). Each semester’s Census Date can be found on the Contract itself, on the Academic Calendar, or in the information pamphlets published each semester by the Office of the Registrar.

Failure to file a Grade Replacement Contract will result in both the original and repeated grade being used to calculate your overall grade point average. Undergraduates are eligible to exercise grade replacement for only three course repeats during their career at UT Tyler; graduates are eligible for two grade replacements. Full policy details are printed on each Grade Replacement Contract.

The Census Date is the deadline for many forms and enrollment actions that students need to be aware of. These include:

- Submitting Grade Replacement Contracts, Transient Forms, requests to withhold directory information, approvals for taking courses as Audit, Pass/Fail or Credit/No Credit.
- Receiving 100% refunds for partial withdrawals. (There is no refund for these after the Census Date)
• Schedule adjustments (section changes, adding a new class, dropping without a “W” grade)
• Being reinstated or re-enrolled in classes after being dropped for non-payment
• Completing the process for tuition exemptions or waivers through Financial Aid

State-Mandated Course Drop Policy
Texas law prohibits a student who began college for the first time in Fall 2007 or thereafter from dropping more than six courses during their entire undergraduate career. This includes courses dropped at another 2-year or 4-year Texas public college or university. For purposes of this rule, a dropped course is any course that is dropped after the census date (See Academic Calendar for the specific date). Exceptions to the 6-drop rule may be found in the catalog. Petitions for exemptions must be submitted to the Enrollment Services Center and must be accompanied by documentation of the extenuating circumstance. Please contact the Enrollment Services Center if you have any questions.

Disability Services
In accordance with Section 504 of the Rehabilitation Act, Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA) the University offers accommodations to students with learning, physical and/or psychiatric disabilities. If you have a disability, including non-visible disabilities such as chronic diseases, learning disabilities, head injury, PTSD or ADHD, or you have a history of modifications or accommodations in a previous educational environment you are encouraged to contact the Student Accessibility and Resources office and schedule an interview with the Accessibility Case Manager/ADA Coordinator, Cynthia Lowery Staples. If you are unsure if the above criteria apply to you, but have questions or concerns please contact the SAR office. For more information or to set up an appointment please visit the SAR office located in the University Center, Room 3150 or call 903.566.7079. You may also send an email to cstaples@uttyler.edu

Student Absence due to Religious Observance
Students who anticipate being absent from class due to a religious observance are requested to inform the instructor of such absences by the second class meeting of the semester.

Student Absence for University-Sponsored Events and Activities
If you intend to be absent for a university-sponsored event or activity, you (or the event sponsor) must notify the instructor at least two weeks prior to the date of the planned absence. At that time the instructor will set a date and time when make-up assignments will be completed.

Social Security and FERPA Statement
It is the policy of The University of Texas at Tyler to protect the confidential nature of social security numbers. The University has changed its computer programming so that all students have an identification number. The electronic transmission of grades (e.g., via e-mail) risks violation of the Family Educational Rights and Privacy Act; grades will not be transmitted electronically.

Emergency Exits and Evacuation
Everyone is required to exit the building when a fire alarm goes off. Follow your instructor’s directions regarding the appropriate exit. If you require assistance during an evacuation, inform your instructor in the first week of class. Do not re-enter the building unless given permission by University Police, Fire department, or Fire Prevention Services.
Technical Information

If you experience technical problems or have a technical question about this course, you can obtain assistance by emailing itsupport@patriots.uttyler.edu or call 903.565.5555.

When you email IT Support, be sure to include a complete description of your question or problem including:

• The title and number of the course
• The page in question
• If you get an error message, a description and message number
• What you were doing at the time you got the error message

You may also visit the Help Tab in Blackboard http://wiki.uttyler.edu/display/B8H/Home for useful information or check out On Demand Learning Center for Students: http://ondemand.blackboard.com/students.htm