

THE UNIVERSITY OF NEW SOUTH WALES



SCHOOL OF ECONOMICS

ECON 2206 / ECON 3290 (Arts) INTRODUCTORY ECONOMETRICS Session 1, 2006

COURSE INFORMATION AND LECTURE SCHEDULE

Lecturer:

Dr Garry Barrett

Room: JG 216

Tel: 9385-3366

Email: G.Barrett@unsw.edu.au

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1. TEACHING STAFF

The Lecturer for the course is Associate Professor Garry Barrett (JG216; Ph.9385-3366, Email: G.Barrett@unsw.edu.au). Garry Barrett is responsible for the course content as well as the administration of the course. You should feel free to approach him about any academic matter related to the course. He will have specific consultation hours set aside for student inquiries - these hours will be posted on the course website.

There are several tutors involved in teaching this course. The tutors are:

Remy Cottet (Email: r.cottet@unsw.edu.au)

Xiuyan (Ziki) Mun (Email: z2281778@student.unsw.edu.au)

David Tan (Email: dtwtan@gmail.com)

2. INFORMATION ABOUT THE COURSE

2.1 UNITS OF CREDIT AND CLASS HOURS

This course is worth 6 units of credit.

There are 2 hours of lectures per week and 1 x 1 hour tutorial class.

2.2 LECTURE TIME AND LOCATION

Thursday 3-5pm Physics Lecture Theatre.

2.3 TUTORIAL GROUP ALLOCATIONS

Tutorials start in week 3.

Once enrolled, moving from one tutorial group to another will not be permitted unless you have compelling reasons. You should consult Garry Barrett about these matters.

The Tutorial Program questions will be provided in a separate handout and will be posted on the course web site.

2.4 RELATIONSHIP OF THIS COURSE TO OTHER COURSES

ECON2206 / 3290 provides an introduction to econometrics - which involves application of statistical methods in analysing economic data. ECON1203 QMB - or an equivalent course - is a prerequisite courses for ECON2206/3290: the material covered in that course is treated as assumed knowledge. ECON2206/3290 is a prerequisite for ECON2207 Econometric Methods, and other, higher level econometrics courses.

2.5 APPROACH TO LEARNING AND TEACHING

The philosophy underpinning this course and its Teaching and Learning Strategies (see 3.3 below) are based on "Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at : www.guidelinesonlearning.unsw.edu.au.

3. COURSE AIMS AND OUTCOMES

3.1 COURSE AIMS

The aim of the course is to help you develop a working knowledge of econometrics and its applications to real-world economic data. The course will focus on regression models, and will cover topics from simple to multiple regression methods, and consider issues of estimation and inference. Extension to the regression model will be considered. There will be an emphasis on how to apply the methods in practice. By the end of session you will be able to read and understand most analyses performed by econometricians, and, more importantly, you will be able to conduct your own empirical research.

3.2 STUDENT LEARNING OUTCOMES

On completion of the course, students should be able to:

1. understand the assumptions underlying the simple and multiple regression models,
2. interpret the estimates from the application of regression models,
3. conduct hypothesis testing using the regression model,
4. understand the limitations of the regression model,
5. understand the extensions to the regression model which address special features of different data structures,
6. apply the regression model to economic data using specialised econometric software.

3.3 TEACHING AND LEARNING STRATEGIES

The examinable content of the course is defined by the Text references given in the Lecture Schedule, the content of Lectures, and the content of the Tutorial Program.

Lectures

The purpose of Lectures is to provide a logical structure for the topics that make up the course; to emphasise the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

Tutorials

One important purpose of tutorials is to give you the opportunity to raise questions about difficult topics or problems encountered in studying the course. You should come prepared with questions of your own. A set of exercises will also be assigned each week. You should attempt all of them. You will not gain a proper understanding of the topics unless you master the tutorial assignments. The tutorial exercises also give a good indication of the kind of questions that can be expected in examinations.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time.

Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the relevant chapter(s) of the text and accessing the lecture overheads from the course website before the lecture. This will give you a general idea of the topic area.
- Attendance at lecture. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.
- Attempting the tutorial questions and checking their solutions. This will identify the things you need to do to demonstrate your understanding of a topic, and guide your re-reading of specific parts of the text. This will also provide a self-test of your understanding, and identify those parts of the topic with which you have problems. This should be done after the lecture and before the following week’s tutorial.
- Attending Tutorials. Go to the tutorial with your own solutions neatly prepared (these may be collected and marked in any given week).
- Attempt additional problems from the end-chapter questions in the textbook. The tutorial and examination questions have a similar structure to the textbook questions. By attempting additional questions, you are able to test your own knowledge and, through practice and experience, improve your understanding of the material.

4. STUDENT RESPONSIBILITIES AND CONDUCT

4.1 WORKLOAD

It is expected that you will spend at least ten hours per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to prepare for a Tutorial Presentation or an examination, the workload may be greater.

Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

4.2 ATTENDANCE

Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

4.3 GENERAL CONDUCT AND BEHAVIOUR

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au

4.4 KEEPING INFORMED

You should take note of all announcements made in lectures, tutorials or on the course web site. In particular you should check “Announcements” on the course website at least once a week. From time to time, the University will send important announcements to your university email address without providing you with a paper copy. You will be deemed to have received this information.

5. ASSESSMENT

5.1 FORMAL REQUIREMENTS

In order to pass this course, you must:

- achieve a composite mark of at least 50; and
- make a satisfactory attempt at all assessment tasks (see below).

5.2 ASSESSMENT DETAILS

Assessment will consist of :

Tutorial Assessment	15%
Mid-Session Examination (Week 7)	25%
Final Examination	60%
TOTAL	100%

TUTORIAL ASSESSMENT

Tutorials start in **Week 3**.

The Tutorial Program Questions will be posted on the course web site. Each will a series of tutorial problems based on the lecture material will be set. You should attempt all of them. Answers to tutorial assignments will be collected without warning throughout the session ! Three tutorial assignments (5% weight on each)

will account for 15% of your total mark for the course. Each week you should come with prepared answers to the tutorial questions in case the assignment is collected.

MID-SESSION EXAMINATION:

A mid-session exam will be held during WEEK 7 on Thursday 13 April. The examination will be held during the regular lecture time. The exam will cover materials covered in Lecture Topics 1-6 inclusive, and will consist of problems similar to those set in the tutorial program. The examination will be of 60 minutes duration.

Note: There will be NO supplementary exam offered for the Mid-Session Examination. Students who fail to attend the Mid-session Examination will need to apply for Special Consideration. Special Consideration applications must be made within 3 days of the Exam through NewsouthQ in the Chancellery and NOT through the lecturer-in-charge (you should advise the lecturer-in-charge that you have made an application). You will need to provide full documentation of the reason for the absence (e.g., illness). Employment obligations of any kind are not acceptable reasons for absence from any test/examination.

Those students whose request is granted for Special Consideration for the mid-session examination, will have their final mark reweighted according to the weight of the missed piece of assessment. (e.g. if consideration is granted for a student's absence from the mid-session examination, their Tutorial Assessment and Final Exam marks will be scaled up by a factor of 4/3).

FINAL EXAMINATION:

This will be held in the University examination period (June/July) and will be 2 hours long. The final exam will cover the entire course. Further information on the content and structure of the Final Exam will be provided towards the end of session.

The purpose of the final exam is to assess knowledge of econometric concepts, your understanding of the regression models and the application of regression methods to real world problems.

It is important to note that a satisfactory performance in the Final Examination is required to pass this course.

5.3 SPECIAL CONSIDERATION AND SUPPLEMENTARY EXAMINATIONS

A supplementary final examination may be offered to students who failed to attend the final examination for medical reasons, or whose performance during the final examination has been severely affected by illness, or other extraordinary circumstances that can be documented by the student. Supplementary examinations are not offered as a matter of course. The following conditions, must be fulfilled before such an application to sit for a supplementary final examination will be considered:

- (i) the student's performance during the session (based on the student's tutorial assessment mark and mid-session exam mark) must be deemed to be at a satisfactory level by the lecturer-in-charge, and
- (ii) the student has applied for special consideration which is made through NewsouthQ within 3 days of the final examination, and the application is supported with full documentation.

Notes:

If a supplementary examination is granted, the format of that examination will be similar to that of the final examination.

Students who are granted a supplementary examination will be advised of the date of the supplementary exam as soon as possible, and students have the responsibility to make themselves available to sit for the supplementary exam on the date specified.

Information and policy about special consideration and supplementary examinations – it is recommended that there is a standard School policy, which is available on the School website and referred to in the course outline.

6. ACADEMIC HONESTY AND PLAGIARISM

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see: www.my.unsw.edu.au/student/atoz/Plagiarism

Plagiarism is the presentation of the thoughts or work of another as one's own.* Examples include:

- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, web site, Internet, other electronic resource, or another person's assignment without appropriate acknowledgement;
- paraphrasing another person's work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,
- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.†

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does not amount to plagiarism.

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

www.lc.unsw.edu.au/plagiarism

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle

† Adapted with kind permission from the University of Melbourne.

7. STUDENT RESOURCES

7.1 COURSE WEBSITE

The Introductory Econometrics website may be found among others of your courses when you log into WebCT Vista. You can access WebCT Vista through the link to <http://vista.elearning.unsw.edu.au/webct/entryPageIns.dowebct>. The course website contains copies of:

All Course Handouts; Copies of Lecture Overhead Slides; Tutorial Program Questions; Data sets required for the tutorial questions; Notes on How to Use SHAZAM; Copies of SHAZAM output; and Announcements.

Students should consult this website at least once a week as it contains important information about the course. It will be assumed that all students have seen any notice posted on the course website.

7.2 TEXTBOOK

The required textbook for the course is:

J.M. Wooldridge (2006) *Introductory Econometrics: A Modern Approach*, South-Western, 3rd edition.

This book is denoted by “W” in the lecture outline below.

This textbook is currently in stock at the UNSW bookstore, and copies are held in Open Reserve in the Main Library.

There is a companion book for the text may be useful to refer to throughout the session:

J.M. Wooldridge (2006) *Student Solutions Manual to Introductory Econometrics: A Modern Approach*, South-Western.

This companion book is not available in hardcopy, but you can purchase access to the electronic version via the textbook website: <http://1pass.thomson.com>

(Note: older versions of the Student Solution Manual are held in the Main Library).

The following books provide an alternative presentation of similar material:

J.H.Stock and M.W. Watson (2003) *Introduction to Econometrics*, Addison Wesley.

R.C. Hill, W. Griffiths and G.G. Judge (2001) *Undergraduate Econometrics*, 2nd Edition, Wiley.

More advanced treatment of the topics covered in the course are presented in the textbooks:

W.Greene (2003) *Econometric Analysis*, 5th edition, Prentice Hall.

A.C.Cameron and P.Trivedi (2005) *Microeconometrics: Methods and Applications*, Cambridge University Press.

7.3 OTHER RESOURCES, SUPPORT AND INFORMATION

The University and the Faculty provide a wide range of support services for students, including:

- Learning and study support;
- Counselling support;
- Library training and support services;
- Disability support services;

EDUCATIONAL DEVELOPMENT UNIT

Additional learning support, tailored to the needs of FCE students, is available from the Education Development Unit (EDU) in the Faculty. The EDU offers a range of services for FCE students including:

- academic skills workshops run throughout the session;
- printed and on-line study skills resources e.g. referencing guide, report writing and exam preparation;
- a drop-in resource centre containing books and audio visual material that may be borrowed;
- a limited consultation service for students with individual or small group learning needs.
- More information about the EDU services including on-line resources, workshop details and consultation request forms are available from the EDU website.

Contacts and location:

EDU Web: <http://education.fce.unsw.edu.au>

EDU Location: Room 2039, Level 2 Quadrangle Building

EDU services are free and confidential and are available to students of the Faculty of Commerce and Economics.

OTHER UNSW SUPPORT In addition to the EDU services, the UNSW Learning Centre provides academic skills support services for students. The Learning Centre is located on Level 2 of the Library and can be contacted by Phone: 9385 3890 or through their website: www.lc.unsw.edu.au .

Students experiencing problems of an academic or personal nature are encouraged to contact the Counselling Service at UNSW. This service is free and confidential and run by professional counsellors. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contact on 9385 5418.

Those students who have a disability that requires some adjustment in their teaching and learning environment are encouraged to discuss their study needs with the Lecturer in Charge or with the Equity Officer (Disability) prior to, or at the commencement of, their course The Equity and Diversity Unit can be contacted through 93854734 or www.equity.unsw.edu.au/disabil.html .

Students should be aware of Faculty Occupational Health and Safety policies and expectations.

See [http://www2.fce.unsw.edu.au/nps/servlet/portalservice?](http://www2.fce.unsw.edu.au/nps/servlet/portalservice?GI_ID=System.LoggedOutInheritableArea&maxWnd=S_Current)

[GI_ID=System.LoggedOutInheritableArea&maxWnd=S_Current](http://www2.fce.unsw.edu.au/nps/servlet/portalservice?GI_ID=System.LoggedOutInheritableArea&maxWnd=S_Current)

8. CONTINUAL COURSE IMPROVEMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process

(http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm) is one of the ways in which student evaluative feedback is gathered.

9. LECTURE SCHEDULE

Table 1. Approximate Lecture Timetable

Week	Date	Topic	Reading
1	02/03/06	Introduction	W: 1
2	09/03/06	The Simple Regression Model	W: 2
3	16/03/06	Multiple Regression Analysis: Estimation	W: 3
4	23/03/06	Inference I	W: 4
5	30/03/06	Inference II	W: 4
6	06/04/06	Asymptotics and Further Issues	W: 5,6
7	13/04/06	MID-SESSION EXAM	
	20/04/06	Mid-session break	
8	27/04/06	Qualitative Information	W: 7
9	04/05/06	Heteroskedasticity	W: 8
10	11/05/06	Specification issues	W: 9
11	18/05/06	Regression analysis of time series data	W: 10
12	25/05/06	Further issues with time series	W: 11
13	01/06/06	Pooled Cross-section methods	W: 13
14	08/06/06	Review	