

THE UNIVERSITY OF NEW SOUTH WALES



SCHOOL OF ECONOMICS

ECON 2206 / ECON 3290 (Arts) INTRODUCTORY ECONOMETRICS Session 1, 2009

COURSE INFORMATION AND LECTURE SCHEDULE

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1. TEACHING STAFF

The Lecturer for the course is Associate Professor Garry Barrett (ASB434; Ph.9385-3366, Email: G.Barrett@unsw.edu.au). Garry Barrett is responsible for the course content as well as the overall 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.

A Tutor-in-Charge (TIC) will be appointed to the course. The TIC will have responsibility for administration of the tutorial program. You should first contact your tutor or the TIC if you have a problem concerning the tutorial program.

The tutors involved in teaching the course include:

Simone Cheung (Email: simone.cheung@gmail.com)

Tao Yang (Email: tao.yang@student.unsw.edu.au)

Yan Yang (Email: yanghr2002@gmail.com)

Uwe Helms (Email: uwehelmes@hotmail.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

Tuesday 2-4pm, Keith Burrows Theatre.

2.3 TUTORIAL GROUP ALLOCATIONS

Tutorials start in *Week 1*.

Enrolment in a tutorial group is to be completed online through *myUNSW* when you enrol in the course. It is not possible to enrol in a tutorial group that is already full. Once enrolled, moving from one tutorial group to another will not be permitted unless you have compelling reasons. You should consult the TIC about these matters in the first instance. The Tutorial Program questions will be posted on the course web site in the week prior to the meeting.

2.4 RELATIONSHIP OF THIS COURSE TO OTHER COURSES

ECON2206/3290 provides an introduction to econometrics - which involves the application of statistical methods in the analysis of economic data. ECON1203 QMB, or an equivalent course, is a prerequisite for ECON2206/3290. The material covered in ECON1203 is treated as assumed knowledge. In turn, 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. In particular, the lectures, tutorials and assessment components have been designed to be engage student interest and promote the achievement of the learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers, and among students (in and out of class). The lecturer and tutors aim to provide helpful and timely feedback to students to improve learning outcome.

3. COURSE AIMS AND OUTCOMES

3.1 COURSE SUMMARY AND 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 is based on regression models and will cover topics from simple to multiple regression methods, focusing on 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 understand most analyses performed by econometricians, critically appraise empirical studies and conduct your own empirical research.

3.2 STUDENT LEARNING OUTCOMES

Student Learning Outcomes

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

1. list and explain 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. describe and explain the limitations of the regression model,
5. identify and apply 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.

Student Learning Outcomes and ASB Graduate Attributes

Learning Outcomes	ASB Graduate Attributes
1, 2, 3, 4, 5, 6.	1. Critical thinking and problem solving
2, 3, 6.	2. Communication
6.	3. Teamwork and leadership
2, 4.	4. Social, ethical and global perspectives
2, 4, 5, 6.	5. In-depth engagement with relevant disciplinary knowledge
1-6.	6. Professional skills

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 lectures provide an introduction to each topic, develop the key concepts and results, and present practical illustrations drawn from published research. The lectures will also detail how the results can be applied using the software package *SHAZAM*. Each lecture will begin by providing a guide to how the current topic relates to the material from previous weeks, and will conclude by outlining how the current topic is extended and developed in future weeks. The main role of the lecture is to motivate the topics and develop the conceptual framework for understanding the main issues and results.

Tutorials

The weekly tutorials require you to complete a number of exercises which relate to the previous week's topic. You need to prepare for each tutorial and the tutorials require your participation. The questions covered in each tutorial will be posted on the course website. The role of the tutorial is to help build your understanding of the topics through problem solving exercise and conducting your own analysis of economic data. The weekly tutorial exercise will involve a variety of questions which may relate to the assumption of the regression model, drawing out implications of the results or interpreting the findings of an applied

study. Each weekly exercise will entail a computer exercise which requires you to download a data set from the course website, conduct your own analysis using *SHAZAM* and to briefly report findings from that analysis. Your written answers to two tutorial assignments will be collected and marked during the session, as discussed in Section 5 below. The tutorial exercises give a good indication of the kind of questions that can be expected in the final examination.

The tutorials also give you the opportunity to discuss your work with the tutor and your peers, and to raise questions about difficult topics or problems encountered in studying the course. From your participation in the tutorials you can gain an appreciation of your own progress in the course.

Out-of-Class Study

Your private study is a critical part of this course. 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) may include:

- Reading of the relevant chapter(s) of the text and accessing the lecture notes from the course website before the lecture. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic will 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 also provides a self-test of your understanding, identifying those parts of the topic with which you have problems.
- Attending Tutorials. Go to the tutorial with your own solutions neatly prepared (these will be collected and marked in specific weeks of the session).
- 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 assignment 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 tutorials 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. If you are late for a lecture (or tutorial), you should enter the room quietly and take a seat without disrupting the class. More information on student conduct is available at: my.unsw.edu.au

4.4 KEEPING INFORMED

You should take note of all announcements made in lectures, tutorials or on the course website. 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 :

Assessment Task	Weighting	Learning Outcome Assessed	ASB Graduate Attributes Assessed	Length
Tutorial Assessment	20%	1-6	1-6	See Section 5.2.2
Project	20%	1-6	1-6	See Section 5.2.3
Final Examination	60%	1-5	1,2,4-6	2 hours
TOTAL	100%	1-6	1-6	

5.2.1. TUTORIAL ASSESSMENT

Tutorials start in *Week 1*.

The Tutorial Program questions will be posted on the course web site. Each week a series of problems based on the lecture material will be set. You should attempt all questions. Answers to two tutorial assignments will be collected and marked over the course of the session. Specifically, the assignments set for discussion in **Weeks 4** and **10** will be collected and marked. Two tutorial assignments (10 % weight on each) will account for 20% of your total mark for the course. Assignments are to be handed in to the tutor *at the beginning* of the tutorial class, otherwise a mark of 0 will be given. If you are unable to make it to your tutorial group during the week when an assignment is to be collected, you should submit your solutions either to your tutor or to the lecturer *before* your tutorial group meets.

The tutorial exercises are designed to assess your understanding of regression models, your ability to interpret regression results and appraise the quality of a model. The tutorial exercises are based on replicating and evaluating published empirical studies. The criteria used for marking the assignments are correctness and clarity of the answers presented. The tutorial assignments and the course project are designed to assess progress toward learning objectives 1-6; the tutorial assignments and course project are the main form of assessment for objective 6 (performing regression analysis using specialised econometric software).

In weeks when the assignments will not be collected you should attend with prepared answers to the tutorial questions.

5.2.2. COURSE PROJECT:

The assessment tasks include a 'Project' which involves an indepth econometric analysis of an applied economic problem. The project will require the analysis of a data set using regression methods. The project will be similiar in structure to the weekly tutorial assignments; however the project will draw on material covered in all of weeks 1-6 of lectures. Students need to provide detailed written answers to the project questions and include a print-out of their SHAZAM output. The project questions and data set will be available from the course website in Week 1 of session.

The Course Project answers are due in by **10 a.m.** on **Monday 27/04/09** (Week 7 of session). Ensure that your answers have a coversheet stating your name, student number, course name, tutorial group number and tutor's name. Answers booklets (do not submit loose-leaf sheets of paper) are to be placed in the Economics box on the ground floor of the ASB Building by 27/04/09. The box will be cleared at 10 a.m. (projects received after 10 a.m. on 27/04/09 will incur a penalty of 20% per day late).

5.2.3 FINAL EXAMINATION:

This will be held in the University examination period (June 2009) 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 final exam is designed to assess knowledge of econometric concepts, your understanding of the regression models and the application of regression methods to real world problems. The questions will involve interpretation of regression results, basic calculations, hypothesis testing, and evaluation of regression models. The final exam is designed to assess achievement of learning objectives 1-5.

Examples of past exam papers are available from the library.

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

UNSW Policy and Process for Special Consideration

(see <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>)

Applications for special consideration (including supplementary examinations) must go through UNSW Central administration (within 3 working days of the assessment to which it refers) – applications cannot be accepted by teaching staff;

- Applying for special consideration does not automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please notify the Lecturer in Charge;
- Please note that a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

ASB Policy and Process for Special Consideration and Supplementary Exams

In the ASB, requests for special consideration are determined by a Faculty wide panel which advises the Lecturer in Charge of the appropriate action. If the Faculty panel grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

- Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester.
- Where a student is granted a supplementary examination as a result of a request for special consideration, the student's original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade.

Further information concerning supplementary examinations is available on the ASB website.

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: <http://www.lc.unsw.edu.au/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 ECON2206 / ECON3290 Introductory Econometrics website may be found among your courses when you log in to WebCT. 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; Brief Lecture Notes; Tutorial Questions; and Data sets required for the tutorial questions; Notes on ‘How to Use SHAZAM’; Examples of SHAZAM programs and 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 (2009) *Introductory Econometrics: A Modern Approach*, South-Western, 4th 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.

The 2nd and 3rd editions of the textbook are very similar to the 4th edition, and are fine to use.

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

J.M. Wooldridge (2009) *Student Solutions Manual to Introductory Econometrics: A Modern Approach*, South-Western.

This companion book is available electronically via the textbook website: access to the solution manual is free with the purchase of the book.

Older, hardcopy 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 School of Economics, ASB and the University provide a wide range of support services for students, including

Learning and Study Support:

School of Economics Pit Stop

The Economics Pit Stop is designed to provide convenient tutor assistance for students in the large Economics courses. You are able to get help from a tutor as soon as you run into a problem in your study.

The Pit Stop contact details are:

Location: Quadrangle Building Room 3113

Times: Monday-Friday (10am-6pm) from week 2

Phone (9385 1346) or email on tutcentre@unsw.edu.au.

Pit Stop tutors will give help over the phone or through email when they can, but will give priority to students who attend in person. A Pit Stop timetable will be posted on the School of Economics website before the start of week 2. ECON2206/3290 is one of the courses covered by the Economics Pit Stop.

ASB Education Development Unit

The Education Development Unit (EDU) provides learning support and assistance to all students in the ASB, to enable them to enhance the quality of their learning. The EDU services are free, and tailored to meet the academic needs of students in the Australian School of Business.

The role of the EDU is to provide

- A range of support initiatives for students from the Australian School of Business in relation to their transition to university;
- Learning skills development, resources and activities for Business students
- Academic writing and skills workshops throughout the session;
- Printed and online study skills resources, such as referencing guides, report writing and exam preparation;
- A drop-in EDU Office containing books and resources that can be borrowed;
- A limited consultation service for students with individual or small group learning needs.

The EDU website www.business.unsw.edu.au/edu contains information, online resources and useful links as well as providing information and dates for workshops. More information about the EDU services including resources, workshop details and registration, and consultation request forms are available from the EDU Office.

EDU Contact Details:

Location Room G07, Ground Floor, West Wing, Australian School of Business Building

Telephone: 9385 5584

Email: Edu@unsw.edu.au

Website www.business.unsw.edu.au/edu

UNSW Learning Centre (<http://www.lc.unsw.edu.au>)

The UNSW Learning Centre provides academic skills support services for all UNSW students. The Learning Centre is located on Level 2 of the Library and can be contacted by phone: 9385 3890 or through their website.

Technical support

For any technical support issues (difficulty logging in to websites, problems downloading documents, etc.) you can contact the UNSW IT Service Desk at:

(02) 9385 1333 ; Email: servicedesk@unsw.edu.au

Counselling support - <http://www.counselling.unsw.edu.au>

Students experiencing problems of a personal or academic nature are encouraged to contact the Counselling Service at UNSW. This consultation service is free and confidential and run by professional counsellors. The Counselling Service also conducts workshops on topics such as 'Coping With Stress' and 'Procrastination'. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contacted on 9385 5418.

Library training and support services - <http://info.library.unsw.edu.au>

Disability Support Services – Those students who have a disability that requires some adjustment in their teaching or learning environment are encouraged to discuss their study needs with the Course Coordinator or the Equity Officer (<http://www.studentequity.unsw.edu.au/disabil.html>). Early notification is essential to enable any necessary adjustments to be made.

In addition, it is important that all students are familiar with University policies and procedures in relation to such issues as:

- **Examination procedures** and advice concerning illness or misadventure:
<https://my.unsw.edu.au/student/academiclife/assessment/examinations/examinationrules.html>
- **Occupational Health and Safety** policies and student responsibilities;
<https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>

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 is one of the ways in which student evaluative feedback is gathered. The current structure and content of the course has been shaped by student feedback from recent years. For

example, students have requested assessment tasks near the start of session so as to provide an early guide to their progress in the course. In response, in 2009 the first tutorial assignment will be collected in Week 4 (and the major project will be collected in Week 7).

9. LECTURE SCHEDULE

Approximate Lecture Timetable

Week	Date	Topic	Reading
1	10/03/09	Introduction	W: 1
2	17/03/09	The Simple Regression Model	W: 2
3	24/03/09	Multiple Regression: Estimation	W: 3
4	31/03/09	Inference I	W: 4
5	07/04/09	Inference II	W: 4
6	21/04/09	Asymptotics, Further Issues	W: 5,6
7	28/04/09	Qualitative Information	W: 7
8	05/05/09	Heteroskedasticity	W: 8
9	12/05/09	Specification issues	W: 9
10	19/05/09	Time Series Data	W: 10
11	26/05/09	Time Series Data	W: 11
12	02/06/09	Evaluation methods	W: 13