

ECO 5720
Applied Econometrics
Fall 2024

Instructor: Jayjit Roy

Office: 3108 PH

e-mail: royj@appstate.edu

Phone: 828.262.6242 (e-mail preferred)

Student Office Hours: Monday, Wednesday 11:00 a.m.-2:00 p.m. (in-person or via Zoom); and by appointment.

Communication Expectations: Please do not hesitate to email me with questions. I should be able to respond within 24 hours.

Course Description: The goal of this course is to equip students with the basic skills required to (i) ask empirical questions, (ii) conduct associated regression analyses, and (iii) interpret findings accurately. In addition to the basic concepts of linear regression, topics covered will include non-linear specifications, binary variables, heteroskedasticity, panel data, instrumental variables, and limited dependent variables. The statistical software *Stata* will be used, but no prior knowledge of the software is required.

Required E-Textbook and Software: *Introductory Econometrics: A Modern Approach-7th ed.*, by Jeffrey M. Wooldridge. The e-book is provided by Cengage Unlimited.

Other useful books include:

- *Causal Inference: The Mixtape*, by Scott Cunningham. The free online version is available at: <https://mixtape.scunning.com/>.
- *The Effect: An Introduction to Research Design and Causality*, by Nick Huntington-Klein. The free online version is available at: <https://www.theeffectbook.net/>.

Grading: Grades will be based on assignments, exams, a presentation, a paper, and class participation:

- Assignments will count for 20% of the course grade.
 - They must be submitted by specific due dates.
- Exams will count for 40%.
 - Two exams will count for 20% each.
 - Make-up exams will typically not be offered. If you are likely to miss an exam due to participation in a university-sponsored activity or religious observance, you should notify me in advance. In case of an emergency, see <http://academicaffairs.appstate.edu/syllabi>. For an excused missed exam, the make-up test should be taken before the next class meeting.
- A presentation will count for 15%.
 - You can present individually or form groups of two students. If you form a group, please notify me by October 30.
 - You will be given a large dataset (e.g., *Log Into North Carolina*, *Quality of Government Data*, *World Development Indicators*, etc.) to estimate an empirical relationship; you can also use an alternative dataset that is approved by me. The presentation should address: (1) why the topic is interesting, (2) the choice of your estimation strategy, (3) the strengths of your empirical approach, (4) the drawbacks of your chosen method, and (5) one specific direction of future research.
 - Additional details on the presentation will be provided at least one month prior to the presentation date.
 - In case of groups, if a student does not participate adequately, a penalty of at least 50% of the assigned points will be imposed.
- A paper related to the presentation will count for 15%.
 - It should address the points related to the presentation that are listed above

- The length of the paper should not exceed 2000 words (excluding figures and tables).
- It is due on the date of the presentation.
- Please submit one paper per presentation. So, if you presented as a group, one joint submission is adequate.
- In case of groups, if a student does not participate adequately, a penalty of at least 50% of the assigned points will be imposed.
- Class participation will count for 10%.
 - Throughout the semester, I will ask questions in class to make things interactive. Your responses will count towards this grade. I will typically use Poll Everywhere.
 - Your participation grade will be based on the proportion of questions that you participate in. For example, if there are 50 questions out of which you participate in 30, your participation will count for $(30/50) \times 10$, i.e., 6 in your final grade out of 100.
 - Although make-up polls will typically not be given, I will excuse 5 missed polls.

At the end of the semester, the final percentage mark will be converted into a letter grade based approximately on the following scale:

Percentage: Grade	Percentage: Grade	Percentage: Grade
93-100: A	83-86: B	73-76: C
90-92: A-	80-82: B-	65-72: C-
87-89: B+	77-79: C+	0-64: F

Please visit <http://academicaffairs.appstate.edu/syllabi> for university policies pertaining to academic integrity, disability accommodations, religious observance, and student engagement.

It is your responsibility to make sure that you are officially registered for this course. If you are not officially registered, please do not expect to be added late.

Statistical Software:

- <https://www.stata.com/order/new/edu/profplus/student-pricing/>
- <https://stats.idre.ucla.edu/stata/>
- <https://www.youtube.com/user/statacorp>

Class Schedule:

Material	Date
<u>Course Introduction</u>	
<u>Chapter 1: Random Variables, Econometrics and Economic Data</u>	
<u>Chapter 2: The Simple Regression Model</u>	
<u>Chapter 3: Multiple Regression Analysis – Estimation</u>	
<u>Chapter 4: Multiple Regression Analysis – Inference</u>	October 16
<u>Chapter 5: Multiple Regression Analysis – OLS Asymptotics</u>	October 21

<u>Chapter 6: Multiple Regression Analysis – Further Issues</u>	October 21 and 23
Exam 1 (on all topics covered so far)	October 28
<u>Chapter 7: Multiple Regression Analysis with Qualitative Information</u>	October 30
<u>Chapter 8: Heteroskedasticity</u>	November 4
<u>Chapter 17: Limited Dependent Variable Models</u>	November 6
<u>Chapters 13 and 14: Pooled Cross Sections and Panel Data</u>	November 11 and 13
<u>Chapter 15: Instrumental Variables</u>	November 18 and 20
<u>Other Methods/Discussion</u>	November 25
Exam 2 (on all topics covered since Exam 1)	December 2
Presentation and paper	December 6 at 2 PM

Note: The schedule above may have to be modified as the semester progresses.