

**Department of Economics
University of Illinois at Urbana-Champaign**

Introduction to Applied Econometrics

Econ471, Section A3

Spring 2018

Instructor: Hassan Arvin-Rad
Email: harvin@illinois.edu
Office: 1207 W. Oregon, Room 315
Phone: (217) 333-4517
Office hours: Mon, 10:30am-12pm, Tue, 4:00pm-5:30pm, and by appointment

TA: TBA
Email: TBA
Office: TBA
Phone: TBA
Office hours: TBA

Lecture time and location:

There are two lectures a week on Tuesdays and Thursdays from 12:30pm to 1:50pm in DKH 123.

Course Description:

This course is intended to be an applied econometrics class focusing on using econometrics in writing empirical papers. It covers the basics of estimation and inference in the context of the single-equation linear regression model. The main objective of the course is to teach students how to apply relevant econometric methods in analyzing data and interpreting the results from such analyses.

Prerequisites:

Econ203, Econ302 or Econ303.

Required Textbook:

Wooldridge, M. J., *Introductory Econometrics, A Modern Approach*, 6th Edition, South-Western, 2016.

Other Useful References:

Stock, J. H., and Watson, M. W., *Introduction to Econometrics*, 3rd Ed, Addison Wesley, 2011.
Berndt, E., *The Practice of Econometrics*, Addison-Wesley, 1990.

Problem Sets:

There will be 6 problem sets. Each problem set will be posted on Compass and will be due a week later in class. Problem sets received late will not be graded. The problem set with the lowest score will be dropped and will not count in determining your course grade. You are encouraged to seek help from the instructor or the TA if you have questions in doing the problem sets. You may also discuss the problems with your fellow students. However, you must write your answers yourself.

Some of the questions in the problem sets will require the use of some statistical/econometric software. You are encouraged to use the open source software R in doing the computations. R is a language and environment for statistical computing and graphics. You can download it free from the site <http://www.r-project.org>. I will provide you with additional references concerning R as we progress in the course.

Examinations and Grading:

There will be two midterm exams in addition to the final. The midterm exams are scheduled for

Wednesday February 21	7-9pm
Wednesday April 11	7-9pm

The final exam is scheduled for Tuesday May 8, from 1:30 to 4:30pm. The locations for the midterm and final exams will be announced in class.

Your course grade will be based on a series of problem sets (20%), two midterm exams (25% each) and the final exam (30%). Graduate students taking the course for 4 credits are also required to write an empirical term paper. The term paper is due a week before the date of the final exam.

The second midterm exam will cover only the material covered since the first midterm exam. The final exam will be comprehensive. All exams are closed-book but you are allowed to bring a non-graphing calculator to the exam.

Compass:

Illinois Compass will be used to post announcements, lecture notes, problem sets, and grades. You are also encouraged to use the Discussion Board on Compass. This would be especially helpful for posting questions about problem sets. Please make sure you will check the Compass on a regular basis.

Make-Up Policy:

Make-up exam will be given only for: 1) medical reasons, in which case you need to get a letter from the emergency dean's office stating why you couldn't take the exam at the scheduled time, and 2) death or serious illness in the immediate family (documentation required). No make-up midterm exams will be given. If for some valid reasons (such as stated above) you cannot take the first

midterm, its weight will be added to the remaining exams. If you miss the second midterm exam, its weight will be added to the final exam.

Please let me know if the exam dates conflict with your observance of religious holidays, so as to find a mutually acceptable alternative date to take the exam.

Class Attendance and Participation:

Attendance in all class meetings is expected. You are responsible for all material covered in class, whether you are present or absent. Your class participation is strongly recommended. It provides me with feedback as to in which areas we need to spend more time.

COURSE OUTLINE

<i>Topic</i>	<i>Readings*</i>
The Nature of Econometrics and Economic Data	Ch. 1
The Simple Regression Model	Ch. 2
Multiple Regression Analysis: Estimation	Ch. 3
Multiple Regression Analysis: Inference	Ch. 4
Multiple Regression Analysis: Large-sample Results	Ch. 5
Multiple Regression Analysis: Further Issues	Ch. 6
Multiple Regression Analysis with Qualitative Information	Ch. 7
Heteroskedasticity	Ch. 8
Econometric Analysis of Time Series Data	Chs. 10, 11, 12
Econometric Analysis of Panel Data	Chs. 13, 14
Limited Dependent Variables	Ch. 17

* Wooldridge, M. J., *Introductory Econometrics, A Modern Approach*, 6th Edition, Cengage Learning, 2016

Academic Integrity:

Violations of academic integrity as given in the Code on Campus Affairs will be taken extremely seriously. Students found cheating in the course (or helping others to cheat) will be penalized according to the Code's guidelines.

The University's full academic integrity policy is available at:

http://studentcode.illinois.edu/article1_part4_1-401.html

Final Exam Conflict Policy:

From the University's final exam policy:

- Any student having more than two consecutive final examinations is entitled to rescheduling as follows if he or she takes the following action no later than the last day of classes:
 - The student must investigate whether a conflict examination is being held at another time for any of the examinations involved.
 - If a conflict examination has been scheduled for any of the courses, the student must take one or more of these conflict examinations. If conflict examinations are offered for more than one course, the student must take the conflict for the course that has the largest number of students.
 - If no conflict examinations have been scheduled, the student must contact the instructor of the course having the largest number of students. The contact must be made no later than the last day of classes, and that instructor must provide a makeup examination.
 - Normally in a semester several combined-sections, conflict, and noncombined examinations are given at the same time. As a guide to resolving conflicts, an order of priority has been established within each examination period, and a student should resolve a conflict using the published examination schedules and the following priority guidelines.
 - National and state professional examinations (e.g., CPA, actuarial science, Architecture Registration Examination) take priority over campus final examinations. An instructor must offer a conflict examination to a student scheduled to take a national or state professional examination and a campus final examination at the same time.
 - A noncombined course examination has precedence over any combined-sections or conflict examination.
 - A department offering a combined-sections final examination must provide a conflict examination if required to accommodate student conflicts.

The University's final exam policy is available at:

http://studentcode.illinois.edu/article3_part2_3-201.html

Emergency Response Recommendations:

The university maintains guidelines for emergency responses. A list of recommendations when to evacuate and when to find shelter are available at:

http://illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.docx

Floor plans for specific buildings are available at:

<http://police.illinois.edu/emergencyplanning/floorplans/>