

ECONOMETRICS 120A - HONORS SECTION

The honors section for Econometrics 120A has two main objectives. First, we will read and analyze different modern research articles in economics. These readings will provide us with examples of how the tools taught in the 120 sequence are actually employed in practice. Second, we will build on the theoretical tools discussed in the main 120A section and study aspects of statistics in more depth. Unlike the main sections of Econ 120A, our class is small and class participation is both expected and highly encouraged.

Instructor Andres Santos (x42407)

Email: a2santos@ucsd.edu

Economics #210

Office Hours: Wednesdays, 4:00pm - 6:30pm

Meetings Thursdays, 2:00pm-2:50pm in Sequoyah 231.

Course Outline

Part I: Basic Overview of Probability Theory and its nuances.

(09/24) Lecture 1: What is a Probability? Frequentists, Bayesians, and Subjectivists.

(10/1) Lecture 2: Why distinguish between discrete and continuous random variables?

Part II: We will cover a number of examples of applications of the tools learned in 120A, including: experimental economics, natural experiments, and development economics.

(10/8) Lecture 3: “*Friend or Foe?*” by List.

(10/15) Lecture 4: “*Winning Isn’t Everything: Corruption in Sumo Wrestling*” by Duggan and Levitt.

(10/22) Lecture 5: “*Institutional Corruption and Election Fraud: Evidence from a Field Experiment in Afghanistan*” by Callen and Long.

(10/29) Lecture 6: “*Performance in Competitive Environments*” by Gneezy, Niederle, and Rustichini.

(11/5) Lecture 7: “*Cooperation in Public-Goods Experiments: Kindness or Confusion?*” by Andreoni.

(11/12) Lecture 8: “*Warm Glow vs. Cold Prickle*” by Andreoni.

(11/19) Lecture 9: “*Peer Effects and Alcohol Use Among College Students*” by Kremer and Levy.

(12/3) Lecture 10: “*Rotten Apples*” by Jacobs and Levitt.

Grading The final grade will be based on three components: (i) Class participation, (ii) Short Assignments, and a (iii) Final paper. Below is a brief description of each.

(25%) Class Participation: Econ 120AH is a small class and class participation is expected and highly encouraged. You will be expected to be familiar with the readings to be discussed in class (Lectures 3-10).

(25%) Short Assignments: For 3 out of the 8 class readings (Lectures 3-10) prepare a short report of the assigned paper. The report should contain a brief summary and at least three comments or questions regarding the analysis contained in the paper. The report should be at most one page in length and be handed in at the start of lecture.

(50%) Final Paper: Write a paper discussing an academic article NOT read in class. You may select it from those available in Ted, or you are welcome to comment on any other article you find of interest. If you are looking for additional paper suggestions please let me know. The report should be 5-10 pages in length and is due the last day of class (12/3).

Note: Even though a room is reserved, there will be no in-class final.

Webpage It can be found on Ted. All handouts and required reading will be posted here.

References

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- BERMAN, E., J. N. SHAPIRO, AND J. H. FELTER (2011): "Can Hearts and Minds be Bought? The Economics of Counterinsurgency in Iraq," *Journal of Political Economy*, 119(4), 766–819.
- BETTS, J. R., AND D. MORELL (1999): "The Determinants of Undergraduate Grade Point Average: The Relative Importance of Family Background, High School Resources, and Peer Group Effects," *The Journal of Human Resources*, 34(2), 268–293.
- CALLAN, M., M. ISAQZADEH, J. D. LONG, AND C. SPRENGER (2014): "Violence and Risk Preference: Experimental Evidence from Afghanistan," *The American Economic Review*, 104(1), 123–148.

- CALLAN, M., AND J. D. LONG (2015): “Institutional Corruption and Election Fraud: Evidence from a Field Experiment in Afghanistan,” *The American Economic Review*, 105(1), 354–381.
- CHARNESS, G., AND U. GNEEZY (2009): “Incentive to Exercise,” *Econometrica*, 77(3), 909–931.
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- GNEEZY, U., J. A. LIST, AND G. WU (2008): “The Uncertainty Effect: When a Risky Prospect is Valued Less than its Worst Possible Outcome,” *The Quarterly Journal of Economics*, 121(4), 1283–1309.
- GNEEZY, U., M. NIEDERLE, AND A. RUSTICHINI (2003): “Performance in Competitive Environments: Gender Differences,” *The Quarterly Journal of Economics*, 118(3), 1049–1074.
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- KAHNEMAN, D., J. L. KNETSCH, AND R. H. THALER (1990): “Experimental Tests of the Endowment Effect and the Coase Theorem,” *The Journal of Political Economy*, 98(6), 1325–1348.
- KREMER, M., AND D. LEVY (2008): “Peer Effects and Alcohol Use Among College Students,” *Journal of Economic Perspectives*, 22(3), 189–206.
- LEVITT, S. D. (2008): “Using Repeat Challengers to Estimate the Effect of Campaign Spending on Election Outcomes in the U.S. House,” *The Journal of Political Economy*, 102(4), 777–798.
- LIST, J. A. (2006): “Friend or Foe? A Natural Experiment of the Prisoner’s Dilemma,” *The Review of Economics and Statistics*, 88(3), 463–471.
- ZIMMERMAN, D. J. (2003): “Peer Effects in Academic Outcomes: Evidence from a Natural Experiment,” *The Review of Economics and Statistics*, 85(1), 9–23.