Econ 120C, Winter 2005

Instructor: Stephen Stohs

Department of Economics, UCSD

Course Objectives

Econ 120C is a sequel to Econ 120A and Econ 120B. The objective of the course is to provide you with knowledge of econometrics in theory and applications. By the end of the course, you should be skilled users of basic econometric methods and critical interpreters of empirical studies.

This course requires a quarter-long commitment. You should spend at least 5 hours per week on this course. Econometrics is best learned through experience, and I will require you to do a fair amount of hands-on work. Successful completion of prior courses in statistics/econometrics, preferably Econ 120A and Econ 120B, is required. The mathematical prerequisites for Economics 120C are Mathematics 10ABC or 20ABC, or their equivalent. Prior experience with computers or statistical software such as STATA would be advantageous, though I will go over the fundamentals and provide a tutorial.

Web Page

The web page will be up and running by the second week of the course. The address will be announced when available. Please access the course web site regularly in order to keep abreast of any changes. If you have any question regarding grading policy, exam format or any other issues, consult the course web page first. Chances are that you can find the answer there. If you cannot, please contact the TA or me by e-mail.

Textbooks

Required:

The required text for this class is *Introduction to Econometrics*, James Stock and Mark Watson (Addison Wesley 2002). I have asked that copies of the book be placed on reserve at SSH.

Alternative Text (for reference):

Introductory Econometrics, Jeffrey M. Wooldridge (Southwestern: 2002). This is another widely used textbook. This book is more advanced than the one by Stock and Watson, and is recommended for students who are not afraid of challenges.

Problem Sets

There will be four assignments, each of which will carry a weight of 5% towards the final grade. The assignments will involve both theoretical and empirical work. Group study and free discussion are encouraged, but you should write up and submit your own answers. You do not

need to turn in the data sheet and STATA output. Problem set answers are to be handed in to the TA at the beginning of section on the due date. Do not e-mail assignments. Late homework will generally not be accepted. If you have a valid excuse, please e-mail the TA. Either the TA or I will bring your graded problem sets to class. If you are unable to pick up your problem set in class, you may pick it up in the TA's office.

If you have any question on the problem sets, please ask the TA or me during our office hours. I would prefer to talk to you in person. If you do not have time to come by in person, you may also send your questions by e-mail, but note that e-mail is not an ideal medium for clearing up econometric questions.

Examinations

There will be two mid-term exams, each carrying a weight of 15%. The cumulative final exam will have a 50% weight. All exams will be closed book. Bring a calculator (just a simple one will do, no need for a scientific or business calculator). You do not need to bring a blue book.

There will be no make-up exams. If for some reason you miss an exam, then the next exam will carry its weight. An exception will be made for medical emergencies, in which case a doctor's certificate is required. Please hand in the doctor's certificate in class or stop by my office.

Grading

All grading problems must be rectified within a week from the time a graded exam or assignment is returned.

- Re-grading of exams will not be allowed if they were written in pencil. If you write in pencil, however, you can look over the exam at my office, and resolve grading disputes before leaving the office. Please address exam re-grading requests to me.
- If you have any questions or complaints on the problem set grading, please resolve them with the TA.

Course grades will be computed as follows. First, if the mean score of any exam (including the two mid-terms and the final) is below 75 percentage points, points will be added to all scores to bring the mean score for the the exam in question up to 75. Second, a weighted average of numerical scores will be obtained. Suppose your scores on the problem sets are 90, 90, 90 and 90. Further, assume your midterms and final exam scores are 85, 80 and 85 (after possible adjustment), respectively. Then the weighted average is 90*5%+90*5%+90*5%+90*5%+85*15%+80*15%+85*50%=85.25=85 (the integer closest to 85.25). The weights on the problem sets, midterm and final exams cannot be changed. Finally, letter grades will be assigned using the following scale:

>=95 A+	**[80,85) B+**	**[65, 70) C+**	**[50 55) D**
[90,95) A	**[75,80) B**	**[60, 65) C**	**< 50 F**
[85,90) A-	**[70,75) B-**	**[55, 60) C-**	

Note that the scale is exact. So if your score is 84.45, you will get a B+. Grades very close to the boundary might be rounded up if the student is an active participant in class.

I will not assign letter grades on the two midterms. However, you can refer to the above table to see where you stand.

Office Hours and Other Contact

Office hours will be announced in class (instructor) and in section (TA).

Basic Topic	Text Readings
Introduction to Asymptotics	Sections 2.6, 15.2, Appendices 15.1-15.2
Regression with Panel Data	Ch 8
First Midterm	
Instrumental Variables Regresssion	Ch 10
Nonlinear Regression Functions	Ch 6
Second Midterm	
Discrete Choice Methods	Ch 9
Time Series Analysis	Sections 12.1-12.5, 13.4
Final Exam	