Econ 120C, Spring 2004

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Goals

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 by doing, 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 equivalence. Prior experience with computers or statistical software such as STATA will be very helpful, though I will go over the fundamentals.

Web Page

http://www.econ.ucsd.edu/~yisun/econ120c_2004s/

Please access the course web site regularly in order to keep abreast of changes. If you have any question regarding the grading policy, exam format or any other issues, read the course web page first. Chances are that you can find the answer there. If you can't, email me or the TA's.

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 Econometrics Text (for your reference):

Introductory Econometrics, Jeffrey M. Wooldridge (Southwestern: 2002). This is another widely used textbook. This book is more difficult 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 submit your own answers. You do not need to turn in the data sheet and all STATA outputs. Problem set answers are to be turned in on time to TAs. Do not email assignments. Late solution will generally not be accepted! If you have a good excuse, please email to the TA who is assigned to grade the particular problem set.

If you have any question on the problem sets, please ask me or TA's during our office hours. I prefer to talk to you in person. I feel that Email is not a very efficient way to ask econometric questions. However, if you have a time conflict, feel free to drop us a line. The TA's or I will bring your problem sets to class. If you could not pick up your problem set in class, you can pick it up in our offices.

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, but you can bring ONE page (one-sided, no larger than 8.5in by 11in) of note. It must be hand-written; photo reducing and pasting is not permitted. Sometimes students ask whether they can bring two pages of notes for the final exam. The answer is no. Bring a calculator (just a simple one will do, no need for scientific or business calculator). No 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 but 5% of the score will be deducted as penalty. If at all possible, the reason must be cleared with me in advance. The penalty applies to almost all cases. An exception is medical absence, 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 an exam or assignment is returned.

- Re-grading of exams may not be allowed if they were written in pencil. If you write in pencil, however, you can pick up the exam from my office, check the grading immediately, and take care of complaints before leaving the office. Please address exam re-grading requests to me.
- If you have any question/complaint on the problem set grading, please ask the TA who graded the problem set.

The course grade will be assigned as follows. First, if the mean score of an exam (including the two mid-terms and the final) is below 75 points, points will be added to all scores to bring the mean score to 75 points. Second, a weighted average of numerical scores will be obtained. Suppose your scores on the PS are 90, 90, 90 and 90. 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+. Grade very close to the border line might be pushed up if the student is an active participant in class.

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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 at the beginning of the class. If you want to stop by my office (Econ 219) at other times, please email me and make an appointment in advance. I check my email frequently.

Basic Topic	Text Chapters
Introduction to Asymptotics	Handout
Heteroskedasticity	Ch 4.9
IV and 2SLS	Ch 10
First Midterm	April 22
Panel Data Model	Ch 8
Probit/Logit	Ch 9
Second Midterm	May 20
Time Series Analysis	Ch 12
Regression with HAC Errors	Ch 12
Final Exam	June 8 11:30-2:30pm