Economics 317 **Dr. David Martin**
Econometrics **Fall 2010**

Meetings:	2:30-3:20 MWF in Chambers 2164
Office Hours:	M 11-12, T 2:00-3:30, W 8:30-9:30, Th 11-12, F 11-12
	and by appointment (please feel free to use *Outlook Calendar* to set one up).
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The course is divided into four units: review and extensions of *Basic Econometrics*, Endogeneity, Limited Dependent Variables, and Time Series Macroeconomics. One focus of this course is to be a learning-by-doing course, with our discussions of your (successful and unsuccessful) analyses being an important cog to your learning. A second focus of this course is to give you experience in reading and thinking about peer-reviewed applied econometric literature.

Prerequisites: Economics 205 (Basic Econometrics) and Mathematics 135 (Calculus II). You will use *SAS* extensively, and you will be able to load it onto your personal computer at no cost to you.

Readings:

There is no new textbook for this course, although I assume that you still have your textbook from *Basic Econometrics*. I will distribute other materials to you in several ways. First, I will distribute materials that I write as well as some datasets and *SAS* programs through a network folder, which I describe below. Second, I will distribute articles and some datasets through shared *RefWorks* folders for each unit (the materials will be available from each reference either through a stable URL or as an attachment).

Grading:

Concluding Assignments are due at the beginning of class on the assigned dates and will be completed individually and pledged.

Concluding Assignment for Unit 1 ....20% of the course grade
Concluding Assignment for Unit 2 ....10% of the course grade
Concluding Assignment for Unit 3 ....15% of the course grade
Concluding Assignment for Unit 4 ....15% of the course grade

Daily Homework Assignments are due on the assigned dates but may be completed in groups. You will record your own grades on a 10-point scale per problem, and only the assignment of that grade will be pledged. You must stay current in your recording of your daily homework grades, as every Wednesday I will “fix” the previous week’s grades so they can’t be changed.

Daily homework assignments ....40% of the course grade

Network File Space:

- *P:\Economics\Eco 317 (Econometrics)\Completed Assignments*: You will turn your completed *SAS* program for the Concluding Assignments into this folder's subfolders so I can run them (you won't be able to work in this folder). You are honor-bound to access only your materials.
- *P:\Economics\Eco 317 (Econometrics)\Fall 2010 Unit # Readings and Materials*: I will place reading materials that I write, some data sets, some *SAS* programs, and other materials in here for your use.
  - I will put material for you to read using the file name convention: *Eco 317 Day##**a** title.pdf*.
  - I will put the homework answer keys in this folder, generally using the file name convention: *Eco 317 Day ##**b** Homework Key.pdf*.
- *P:\Economics\Eco 317 (Econometrics)*z *Eco 205 Labs*: For those of you who have not learned *SAS*, I have placed the Eco 205 lab materials here for you to play around with and to explore *SAS*. Each file name will tell you the topic of the lab.

The Honor Code is a critical component of life at Davidson. Let's keep it that way!

Tentative Timetable

Unit 1: Review and Extensions of *Basic Econometrics*

1.	M	Aug 23:	Introduction and Review
2.	W	Aug 25:	Estimation Day 1
3.	F	Aug 27:	Estimation Day 2
4.	M	Aug 30:	Estimation Day 3
5.	W	Sep 1:	Hypothesis Testing 1
6.	F	Sep 3:	Hypothesis Testing 2
7.	M	Sep 6:	Hypothesis Testing 3
8.	W	Sep 8:	Data Issues
9.	F	Sep 10:	Autocorrelation 1
10.	M	Sep 13:	Autocorrelation 2
11.	W	Sep 15:	Heteroscedasticity 1
12.	F	Sep 17:	Heteroscedasticity 2
13.	M	Sep 20:	Time Series Cross Section 1
14.	W	Sep 22:	Time Series Cross Section 2
15.	F	Sep 24:	Buffer Day to discuss daily homework assignment
16.	**M**	**Sep 27:**	**Concluding Assignment for Unit 1 due**

Unit 2: Endogeneity

17.	W	Sep 29:	Introduction to Endogeneity
18.	F	Oct 1:	Two-Stage Least Squares
19.	M	Oct 4:	Three-Stage Least Squares
20.	W	Oct 6:	Instrumental Variables
21.	F	Oct 8:	Vector Autoregression Models 1
	M	Oct 11:	Fall Break
22.	W	Oct 13:	Vector Autoregression Models 2
23.	F	Oct 15:	Buffer Day to discuss daily homework assignment
24.	**M**	**Oct 18:**	**Concluding Assignment for Unit 2 due**

Unit 3: Limited Dependent Variables

25.	W	Oct 20:	Linear Probability Model and Logit Models 1
26.	F	Oct 22:	Logit Models 2

27.	M	Oct 25:	Random Utility Models 1
28.	W	Oct 27:	Random Utility Models 2
29.	F	Oct 29:	Random Utility Models 3
30.	M	Nov 1:	Random Utility Models 4
31.	W	Nov 3:	Random Utility Models 5
32.	F	Nov 5:	Selection Models 1
33.	M	Nov 8:	Selection Models 2
34.	W	Nov 10:	Buffer Day to discuss daily homework assignment
35.	**F**	**Nov 12:**	**Concluding Assignment for Unit 3 due**

Unit 4: Time Series Macroeconomics

36.	M	Nov 15:	Unit Roots
37.	W	Nov 17:	Cointegration 1
38.	F	Nov 19:	Cointegration 2
39.	M	Nov 22:	Trends and Breaks 1
	W	Nov 24:	Thanksgiving Break
	F	Nov 26:	Thanksgiving Break
40.	M	Nov 29:	Trends and Breaks 2
41.	W	Dec 1:	Trends and Breaks 3
42.	F	Dec 3:	Trends and Breaks 4
43.	M	Dec 6:	Trends and Breaks 5
44.	W	Dec 8:	Buffer Day to discuss daily homework assignment
	Th	Dec 9:	Reading Day
45.	**F**	**Dec 10:**	**In lieu of final exam – Concluding Assignment for Unit 4 due**

How do I fit in? Forecasting 1
Forecasting 2