

California State University, Sacramento
Department of Economics
Spring 2006

ECON 141: INTRODUCTION TO ECONOMETRICS

“Some of the common ways of producing a false statistical argument are to quote figures without their context, omitting the cautions as to their incompleteness, or to apply them to a group of phenomena quite different to that to which they in reality relate; to take these estimates referring to only part of a group as complete; to enumerate the events favorable to an argument, omitting the other side; and to argue hastily from effect to cause ... For all these elementary mistakes in logic, statistics is held responsible”.

Bowley, Arthur L.
Elements of Statistics
Part I, Chapter I (p. 13)

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Class Meetings: MRP 1002

T: 5:30 p.m. – 8:20 p.m.

Office Hours: Tahoe 3011*

T: 9:30 am – 11:30 a.m.

* By Appointment

Syllabus

Objectives	The objectives of this course are for the student to: ◆ Gain an understanding of the process of econometrics; ◆ Gain an appreciation of the application of statistical and econometric methods to economic problems; ◆ Gain a working knowledge of elementary statistics and regression analysis; ◆ Gain an understanding of the use of computers in the estimation econometric models.						
Text	A. H. Studenmund, "Using Econometrics: A Practical Guide and Eviews",						
Software	5 th edition (ISBN: 0-321-36926-2).						
Prerequisites	ECON 001A, ECON 001B, and ECON 140. Recommended courses: ECON 100A or ECON 100B.						
Assignments and Exams	Graded components and their relative weights are as follows: ◆ <i>Five homework assignments, each worth 10%, will count toward 50% of your course grade.</i> During the course of the semester, I will hand out and grade six assignments. The assignment with the lowest score will be dropped. Assignments will be handed out a week in advance of the due date (see "Tentative Schedule" section). <u>Homework assignments must be typed out (where applicable, equations can be neatly written in. Points will be deducted for any illegible portion of a homework assignment).</u> ◆ <i>Two midterm exams, each worth 15%, will count toward 30% of your course grade.</i> Midterm exams are not comprehensive. ◆ <i>Final exam, worth 20% of your course grade, is not comprehensive.</i>						
Grading	Grades will be assigned according to the following point scale: <table><tr><td>◆ A = 90 or higher</td><td>◆ B = 80 – 89</td><td>◆ C = 65 – 79</td></tr><tr><td>◆ D = 55 – 64</td><td>◆ F = 54 and below</td><td></td></tr></table>	◆ A = 90 or higher	◆ B = 80 – 89	◆ C = 65 – 79	◆ D = 55 – 64	◆ F = 54 and below	
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- Lab Sessions**
- ♦ Class will meet in Mariposa 1011 several times throughout the semester as outlined in the tentative schedule below.
 - ♦ The lab in Mariposa 1011 is equipped with the *Eviews* software that comes with your text book. If you wish to work in any other labs on campus or if you are working at home you will need have the Eviews disk that comes with your text book in order to use the Eviews software.
 - ♦ You must bring a floppy **disk (or memory stick)** to lab sessions if you wish to save any work you have done during lab meetings. Alternatively you can e-mail any documents you created in the lab to yourself. Remember to always take your Eviews CD and/or your floppy disk with you before you leave any campus lab.

Class meetings in the Mariposa 1011 lab – Summary for spring 2006

Date	Week Day	Time	Topic
<i>Feb. 14th, 2006</i>	<i>Tuesday</i>	<i>7:30 – 8:20 pm</i>	<i>Introduction to Eviews</i>
<i>March 7th, 2006</i>	<i>Tuesday</i>	<i>7:30 – 8:20 pm</i>	<i>Using OLS in Eviews</i>
<i>March 28th, 2006</i>	<i>Tuesday</i>	<i>7:30 – 8:20 pm</i>	<i>Out-of-Sample Prediction</i>
<i>April 18th, 2006</i>	<i>Tuesday</i>	<i>7:30 – 8:20 pm</i>	<i>Detecting Multicollinearity</i>

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- Policies**
- ♦ Exams cannot be rescheduled. Please DO NOT enroll in this course unless you can take the exams at their scheduled times (see “Tentative Schedule” section). The only exceptions to this rule are: (i) documented medical emergencies; and (ii) absence due to active military, police, and/or jury duty (need letter from the appropriate official).
 - ♦ If you arrive more than 20 minutes after the time an exam is scheduled to begin, you will not be allowed to take that exam.
 - ♦ Improving your grade through “extra work” is not an option in this class! In addition, an Incomplete (letter grade “I”) or a Withdrawal (letter grade “W”) is not to be viewed as a substitute for an “F”.
 - ♦ Students with documented learning disabilities or special needs, must contact me at least a week in advance of scheduled exams if use of the Testing Center’s facilities is required. It is the student’s responsibility to arrange for accommodations through the Testing Center and provide me with the appropriate documentation in the beginning of the semester.
 - ♦ Familiarize yourself with CSUS academic honesty policies. Minimum penalty for academic dishonesty in this class will be letter grade “F” for the assignment or exam in question.
 - ♦ Turn off your cellular phone, beeper, pager, or any other communication device/PDA that may disturb, disrupt, or in any way impede the learning process during class meetings.
 - ♦ Attendance is strongly encouraged but not mandatory. If you miss class, it is your responsibility to find out what you missed, get notes from peers, etc.
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Tentative Schedule

Week One 1/23/06-1/27/06	♦ Regression Analysis – Overview and Use (Chapters 1, 3, and 16) ♦ <u>Recommended reading: Statistical Principles (Chapter 16)</u>
Week Two 1/30/06-2/03/06	♦ Regression Analysis – Overview and Use (Chapters 1, 3, and 16)
Week Three 2/06/06-2/10/06	♦ Ordinary Least Squares (Chapters 2 and 16) ♦ <u>Homework No. 1 DUE in class – Tuesday, February 7th, 2006</u>
Week Four 2/13/06-2/17/06	♦ Ordinary Least Squares (Chapters 2 and 16) ♦ <u>Introduction to E-views: Feb. 14th, 2006, MRP 1011 (7:30 – 8:20 pm)</u>
Week Five 2/20/06-2/24/06	♦ The Classical Model (Chapters 4 and 16) ♦ <u>Homework No. 2 DUE in class – Tuesday, February 21st, 2006</u>
Week Six 2/27/06-3/03/06	♦ Hypothesis Testing (Chapter 5) ♦ MIDTERM 1 – Tuesday, Feb. 28th, 2006 (MRP 1002, 7:00 – 8:20 pm)
Week Seven 3/06/06-3/10/06	♦ Hypothesis Testing (Chapter 5) ♦ <u>Using OLS in E-Views: March 7th, 2006, MRP 1011 (7:30 – 8:20 pm)</u>
SPRING RECESS 3/13/06-3/17/06	♦ Campus Closed – Happy Spring Break!
Week Eight 3/20/06-3/24/06	♦ Hypothesis Testing (Chapter 5) ♦ <u>Homework No. 3 DUE in class - Tuesday, March 21st, 2006</u>
Week Nine 3/27/06-3/31/06	♦ Specification: Choosing the Independent Variables (Chapter 6) ♦ <u>Out-of-Sample Prediction: March 28th, 2006, MRP 1011 (7:30 – 8:20 pm)</u>
Week Ten 4/3/06-4/7/06	♦ Specification: Choosing the Independent Variables (Chapter 6) ♦ <u>Homework No. 4 DUE in class – Tuesday, April 4th, 2006</u>
Week Eleven 4/10/06-4/14/06	♦ Multicollinearity (Chapter 8) ♦ MIDTERM 2 – Tuesday, April 11th, 2006 (MRP 1002, 7:00 – 8:20 pm) <i>Note: Midterm 2 will NOT be comprehensive. It will include all material covered since the Midterm 1.</i>

Tentative Schedule (cont.)

Week Twelve 4/17/06-4/21/06	♦ Multicollinearity (Chapter 8) ♦ <u>Detecting Multicollinearity: April 18th, 2006, MRP 1011(7:30 – 8:20 pm)</u>
Week Thirteen 4/24/06-4/28/06	♦ Serial Correlation (Chapter 9) ♦ Homework No. 5 <u>DUE in class – Tuesday, April 25th, 2005</u>
Week Fourteen 5/01/06-5/05/06	♦ Serial Correlation (Chapter 9) ♦ Heteroscedasticity (Chapter 10)
Week Fifteen 5/08/06-5/12/06	♦ Heteroscedasticity (Chapter 10) ♦ Homework No. 6 <u>DUE in class – Tuesday, May 9th, 2006</u>
Finals Week 5/15/06-5/19/06	♦ FINAL – Tuesday, May 16th, 2006 (5:15 p.m. - 7:15 p.m.) <i>Note: The final will NOT be comprehensive. It will include all material covered since Midterm 2.</i>
