

Economics 6352: Applied Econometrics
Southern Methodist University
Department of Economics
Spring, 2006

Professor: Daniel J. Henderson
Lecture: TR 5:00 – 6:30 pm, Lee 303
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Course Description:

This course is designed to present the basic concepts of econometrics and, in particular, regression analysis. It will provide students with the skills and insight necessary for conducting their own regression analysis in general. The emphasis of the course is on the application of regression analysis to inference and hypothesis testing. The topics are geared to first-time regression users. However, the course goes beyond the rudimentary mechanics of regression analysis. It covers the consequences for inference, hypothesis testing of making various kinds of specification errors as well as the estimation of panel data models.

Textbook:

Introductory Econometrics: A Modern Approach, 3rd edition
Wooldridge, South-Western: 2005, ISBN: 0324289782

Prerequisites:

ECO 5350 or permission from the instructor

Grading Policy:

The course will consist of several homework assignments, two midterm examinations (Thursday, February 16 and Thursday, April 13), and one comprehensive final examination (Monday, May 8, 3:00 – 6:00 pm). The course grade will be determined according to the following formula:

Homework	20%
Midterm I	25%
Midterm II	25%
Final Exam	30%.

Note that no late assignments will be accepted. Further, no make-up exams will be given. If a student misses a midterm examination for any reason, the weight of that examination will be added to that of the final examination (e.g. missing Midterm I would make the final worth 55% of the course grade).

Course Outline:

Time Series Data

Midterm I

Panel Data

Instrumental Variables Estimation

Midterm II

Simultaneous Equations Models

Limited Dependent Variable Models

Simulation Methods for Econometrics

Final Exam

Note that the schedule is subject to change depending on the pace of the course.

UNIVERSITY ACCOMMODATIONS

Disability Accommodations: Students needing academic accommodations for disability must first contact Ms. Rebecca Marin, Coordinator, Services for Students with Disabilities (214-768-4557) to verify the disability and establish eligibility for accommodations. They should then schedule an appointment with the professor to make appropriate arrangements. (See University Policy No. 2.4.)

Religious Observance: Religiously observant students wishing to be absent on holidays that require missing class should notify their professors in writing at the beginning of the semester, and should discuss with them, in advance, acceptable ways of making up any work missed because of the absence. (See University Policy No. 1.9.)

Excused Absences for University Extracurricular Activities: Students participating in an officially sanctioned, scheduled University extracurricular activity should be given the opportunity to make up class assignments or other graded assignments missed as a result of their participation. It is the responsibility of the student to make the arrangements with the instructor prior to any missed scheduled examination or other missed assignment for making up the work. (University Undergraduate Catalogue)

GRADE OF INCOMPLETE AGREEMENT FOR UNDERGRADUATE COURSES

A student may receive a grade of Incomplete (I) if the majority of the course requirements have been completed with passing grades but for some justifiable reason, acceptable to the instructor, the student is unable to complete the full requirements of the course. In accordance with University policy, at the time an Incomplete is given the instructor must stipulate in writing to the student and to the University Registrar the requirements and completion date that are to be met and the grade that will be given if the requirements are not met by the completion date. If the maximum period of time allowed to clear the Incomplete grade for any undergraduate course is 12 months. **If the Incomplete grade is not cleared by the date set below by the instructor or by the end of the 12-month deadline, the Incomplete will be changed by the University Registrar to the grade provided below by the instructor or to an F if no alternate grade is provided.** *Note: Graduation candidates must clear all incompletes prior to the deadline in the official University Calendar, which may allow less time than 12 months. Also, in accordance with University policy, if this agreement is not on file in the office of the University Registrar, an administrative F will be assigned in place of the incomplete.*

THE HONOR CODE

All work undertaken and submitted in this course is governed by the University's Honor Code. The relevant section of the Code, taken from the preamble to its Constitution, is as follows:

All academic work undertaken at the University shall be subject to the guidelines of the Honor Code. Any giving or receiving of aid on academic work submitted for evaluation, without the express consent of the instructor, or the toleration of such action shall constitute a breach of the Honor Code.

The Honor Pledge is: "On my Honor, I have neither given nor received unauthorized aid on this work." A violation of the Code will result in an "F" for the course, and the student will be taken before the Honor Council. If you are unclear about this policy – either in general or in its particular application – please see the instructor immediately.