

APPLIED ECONOMETRICS I
ECONOMICS EC3388A-001/002
Department of Economics
Western University

September 2022

General Information:

Instructor: Bruno Salcedo
Office: 4068 SSC
E-mail: bsalcedo@uwo.ca
Office hours: Tuesdays 10:00 to 12:00 or by appointment

Delivery mode: In person
Meeting times: Mondays 9:30 to 11:30 and Wednesdays 11:30 to 12:30
Classroom: Mondays in UC 3220 and Wednesdays in SSC 1059
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@uwo.ca

Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite/Antirequisite Note:

The prerequisite for this course is Economics 2223A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Tentative Course Outline:

Week	Topics	Project	Notes
9/12 — 9/15	Review of Ordinary Least Squares		
9/19 — 9/21	Maximum Likelihood Estimation	Form Teams	
9/26 — 9/28	Generalized Method of Moments		Homework 1 due
10/3 — 10/5	Discrete Response Variables	Choose Topic	
10/10 — 10/12			Thanksgiving Break
10/17 — 10/19	Fixed and Random Effects		Homework 2 due
10/24 — 10/26	Time Series / Event Studies	Have Data	
10/31 — 11/2			Reading Week
11/7 — 11/9	Causality		Homework 3 due
11/14 — 11/16	Differences-in-Differences	First Draft	
11/21 — 11/22	Regression Discontinuity		
11/28 — 11/30	Two-Stage Ordinary Least Squares		Homework 4 due
12/5 — 12/7		Paper + Presentation	Term papers due

Course Objectives:

This course is designed to give Economics Honours Students a deeper understanding of modern econometrics tools. The course assumes that the students are familiar with OLS as well as basic calculus and linear algebra, as covered in the prerequisites. The theoretical part of the course aims to teach you: (1) how to select which econometric methods can help with specific questions or data sets; and (2) how to interpret the estimates and confidence intervals resulting from econometric analysis. The practical part of the course aims to help you develop the necessary skills to: (1) implement econometric techniques to real-life data; and (2) use tables, diagrams, and graphs to effectively represent your findings. Some of the econometric tools discussed include: regression models, fixed and random effects, regression discontinuity design, instrumental variables, maximum likelihood estimation, generalized method of moments, simultaneous equations, and non-linear binary response models. The software R will be used for empirical analysis. More details about the software and lab sessions will be provided during the course.

Course Learning Outcomes:

Students who successfully complete the course will learn how to:

- Evaluate the validity of causal claims from studies, articles, and technical reports
- Identify which econometric models can help to answer some common economic questions
- Interpret the estimates, standard errors, and tests from different econometric models
- Understand some of the most commonly used econometric techniques
- Apply such techniques to real-life data
- Develop proficiency in a programming language suitable for econometrics (e.g., R or Stata)

Textbook(s) and Course Materials:

Wooldridge, Jeffrey (2015) *Introductory Econometrics: A Modern Approach*, 7th edition, South-Western.

The 5th and 6th editions of this textbook are virtually identical for our purposes, as are earlier ones. Several copies of this textbook are on reserve at Weldon.

Additional reading materials will be assigned in class or in the homework assignments.

Assessments and Grading:

- Four homework assignments — 40%
- Term paper written report — 30 %
- Term paper presentation — 20%
- Participation — 10%

The main grading component of the course is a term project to be carried out either individually or in small team. The project will be graded based on a written report and a short presentation. If one member of a team requests academic consideration on the date of the presentation, the rest of the students are still required to deliver a presentation of the entire project.

Homework assignments are due at the start of the lab on the due date. Late assignments, and assignments not handed in will receive a grade of zero. The best three scores out of the four assignments will count towards your grade. The purpose of dropping the lowest score is to provide academic accommodation for special circumstances.

The final course grades will be curved to match historic averages. In every course I have taught in the past, the curve has always gone upward. However, it is possible that the grades need to be curved downward.

Professionalism, Privacy, and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.
- Students are expected to follow online etiquette expectations provided on OWL
- Some sessions may be recorded by the instructor. Recorded sessions will remain within the course site or be unlisted if streamed

Please Note
Department & University Policies for Fall 2022

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

7. **Systematic adjustments of a class grade distribution** (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following **add and drop deadlines**:
 - Deadline to add a first term half course: **Friday, September 16, 2022**
 - Deadline to drop a first term half course: **Saturday, November 12, 2022**

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- Academic accommodation will not be granted automatically on request. Students must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered. The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message to the instructor, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

- For medical illnesses, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit/assessment. Student Medical Certificate (SMC) is available here:
https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons.
- **Western University policy on Consideration for Student Absence** is available here:
https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.html
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.