San José State University
Social Sciences/Economics
ECON 103B, Econometric Methods, Section 1, Fall, 2023

Course and Contact Information

Instructor:	Dr. Sanchita Mukherjee
Office Location:	DMH 214
Email:	sanchita.mukherjee@sjsu.edu
Office Hours:	Tuesdays 10am-11am (PST) via Zoom and/or by appointment https://sjsu.zoom.us/j/86313602859
Class Dates	Aug 21, 2023 - Dec 6, 2023
Class Days/Time:	MoWe 10:30AM - 11:45AM
Classroom:	Dudley Moorhead Hall 165
Prerequisites:	ECON 101, ECON 100W, ECON 103A and introductory statistics (SOCI 15, STAT 95, UNVS 15S or equivalent)

Course Description

A continuation of the econometric techniques and research methods introduced in 103A. Econometric techniques for instrumental variables, regression discontinuity, difference-in-difference designs, panel data and an introduction to time series topics. Students will write a term paper building on research projects they completed in 103A. Prerequisite: ECON 103A.

Course and Program Learning Objectives (CLOs and PLOs)

This course emphasizes PLO3: research methods and PLO5: communication. Specific CLOs for this course include:

CLO 1. Explain intermediate methods in econometrics and identify correct procedures:

1a.) critically evaluate econometric models and point out potential sources of bias,

1b.) explain how panel data and difference-in-difference designs can be used to overcome omitted variables bias,

1c.) explain how instrumental variables designs can be used to overcome omitted variables and simultaneity bias,

1d.) describe the requirements for a compelling regression discontinuity design, and

1e.) compare and contrast time series techniques for prediction with econometric techniques for causal inference.

CLO 2. Prepare a scholarly research paper describing a regression analysis:

2a.) Formulate an interesting and important research question,

2b.) Locate useable data from the Internet or other sources

2c.) Search and analyze scholarly literature.

Required Texts/Readings

Textbooks (Required)

[Real Econometrics: The Right Tools to Answer Important Questions by Michael Bailey](#) (2nd Edition)
ISBN-13: 978-0190857462
ISBN-10: 0190857463
It is available at any of the online outlets (Amazon, for example). Used copies are fine.

[Introductory Econometrics: A Modern Approach by Jeffrey M. Wooldridge](#) (7th edition)
ISBN-13: 978-1337558860
ISBN-10: 1337558869
It is available at any of the online outlets (Amazon, for example). Used copies are fine.

Software (Required)
1. A Spreadsheet program (preferably MS Excel)
2. R and R Studio: The class will use a computer program called R to gain practical experience in econometrics. All students must have installed on their home machines free R and R Studio software or use [RStudio Cloud](#) (if you are unable to install R and RStudio on your computer).

Course Requirements and Assignments (Required)

1) 4 Problem Sets (40% of your grade, 10% each):

There will be 4 problem sets due, each of which involves empirical analysis. The data for the problem sets will be posted on Canvas. We will go over the problem sets in class. Please submit assignments on Canvas on the day they are due. Assignments handed in after answers are distributed will receive no credit.

2) 2 Exams (20% of your grade, 10% each):

There will be a take-home midterm and a take-home final exam. The exams days are mentioned in the Course schedule below. I will give you the Midterm Exam on Monday, 10/23. Then you will have to submit your Midterm on Canvas by 11:59pm on Wednesday, 10/25. We will not have our in-person class on the exam day (that is 10/25). The exam questions will not be exactly the same as the problem sets, but the difficulty level of the exam questions will be similar to the problem set questions. Final Exam will be posted on Canvas on Sunday, 12/10. You will have to complete and submit the exam on Tuesday, 12/12 by 11:59pm.

3) Term Paper (40% of your grade)

The term paper will have 3 components.

1. **Term Paper Outline (10 points):** The outline is required by Friday, October 4, 2023. The outline should include why the topic is interesting, how you will obtain data, and how you estimate equations of interest (write down the regression equation with the variable names). Please submit your term paper outline on canvas. I will show you where to submit and how. I will post a term paper outline template for you on Canvas that you can use. You should have at least one relevant paper that you have come across in your literature search already. Of course, you will have MORE as time goes on. I do NOT expect at the outline stage for you to have completed your full literature review yet. But you should have read at least one article directly related to your topic.

2. **Rough Draft (min. 5 pages, min. 600 words) (10 points):** The rough draft needs to include the following sections listed below:

Write up the six sections of the paper:
   I.   Introduction: This section should state the nature and objectives of the project. Make sure to provide some background or motivation for why your project is interesting
   II. Literature Review: Literature review is a summary of previous research on your chosen topic. You should have read <u>at least two articles</u> directly related to your topic.
   III. Economic Model (with regression equation): The model should be clearly stated and any equations carefully explained.
   IV. Description of the Data: Describe your data in words and add a table of summary statistics of the variables. Table should include variable name, number of observations, mean, standard deviation, min., max.)
   V.   Empirical Results: Summarize your empirical results in a table highlighting variable names, coefficient estimates, standard errors, t-statistics, p-values, number of observations and R-squared (goodness of fit) of the model, and describe your findings in words.
   VI. Conclusion.

3. **Final Term paper/Project – min. 8 pages, min. 1500 words (20 points):**
I will have 10 min one-one-one meeting with every student (please see course schedule below for details) where we will go over your draft term paper. I will give you my feedback on the paper. You can ask me any questions you have. Then you will write the final term paper incorporating the feedback.

Final Term Paper Structure (min. 8 pages, min. words 1500):
Title page: should include the title of the paper, your name and the abstract
Abstract: This should be less than 50 words and summarize the topic, data, methodology, and main findings. It should appear on your title page.

   I.   **Introduction:** This section should state the nature and objectives of the project. Make sure to provide some background or motivation for why your project is interesting. Introduction should highlight your data, methodology and findings. This is not a murder mystery, please highlight your findings in Introduction section.
   II. **Literature Review**: Literature review is a comprehensive summary of previous research on your chosen topic. The literature review surveys scholarly articles, books, and other sources relevant to your particular area of research. It creates a "landscape" for the reader, giving them a full understanding of the developments in the field. You should have <u>a minimum of 4 relevant papers</u> that you have come across in your literature review. Please follow APA format to list references.
   III. **Description of the model**. The model should be clearly stated and any equations carefully explained. You should write out the econometric model (in equation form) you plan to estimate, and discuss the expected impact of the exogenous variables in your model.
   IV. **Data description**: Please describe the data you are going to use to estimate your model. Make sure to describe the dataset you are using by providing summary statistics of important variables (in a table). The table should include: variable name, number of observations, mean, median, standard deviation, minimum and maximum values of the variables.
   V.   **Model Estimation and Findings**: You should use the techniques developed in class to analyze your data and estimate your model. Your results should be reported and discussed in this section and could include: parameter estimates (intercept, slope coefficients), standard errors, t-statistics, p-values, F-statistics, R-squared, number of observations, tests for autocorrelation, heteroskedasticity, and possible multicollinearity, as appropriate. Please present the estimates (parameter estimates (intercept, slope coefficients)), standard errors, t-statistics, F-statistics, R-

squared, number of observations) mentioned above in a table and then discuss your findings in details with words.

   VI.   **Conclusion.** Review the major findings as well as possible extensions for future work. Make sure to mention any limitations of your approach as well as alternative explanations of your results. Policy implications, if any, could also be included in this section.

  VII.   **Tables and graphs**. Your paper must include at least one table and one graph. The tables and graphs should be well-labeled and accessible to the reader—do not merely print out your regression output with cryptic variable names directly from R.

 VIII.   **References.** You should have a minimum of 4 relevant papers that you have come across in your literature review. Please follow APA format to list references. The link below will help you understand how to organize your references following APA format:
https://www.sjsu.edu/writingcenter/docs/handouts/APA%20Formatting%20Guidelines-7th%20Edition-Final.pdf

Appendix If you have a lot of regression results or other details in your theoretical/statistical model that merit to be included yet, they may distract the reader, you may include them in an appendix.

Grading Information

Your grade will be based upon:

Assignments	% of your grade	Due Dates
4 Problem Sets	40% total, 10% each	See Course Description below for due dates
Midterm	10%	Wed, 10/25 Take home Midterm, submit on Canvas by 11:59pm
Final Exam	10%	Tuesday, Dec 12, Take-Home Final, submit on Canvas by 11:59pm
Term Paper	40%	
Term paper outline		Fri 10/6 on Canvas by 11:59pm
Rough Draft		Fri 11/10 on Canvas by 11:59pm
Final Term Paper		Fri, 12/8 on Canvas by 11:59pm

97-100 A+	93.0-96.9 A	90.0-92.9 A-
87.0-89.9 B+	83.0-86.9 B	80.0-82.9 B-
77.0-79.9 C+	73.0-76.9 C	70.0-72.9 C-
67.0-69.9 D+	63.0-66.9 D	60.0-62.9 D
Below 60 F		

You will find the Final Exam schedule for Fall 2023 at:
https://www.sjsu.edu/classes/final-exam-schedule/fall-2023.php

Late Submission Policy:

Due dates for every assignment are provided on the course syllabus and course schedule (and posted on Canvas). Unless otherwise stated, assignments are due on those days. However, I recognize that sometimes "life happens." In these instances, you may use your allotted one flex day. These days allow you to submit an assignment up to one day late without penalty. You can use this day for any assignment and for any reason. You do not need to provide me with the reason: simply email me and tell me you would like to use your flex day.

Once you've exhausted your flex day, then point deductions will occur for any assignment submitted after the deadline. An assignment submitted 24 hours of the due date will only be eligible for 80% of the maximum number of points allotted. Assignments submitted more than 24 hours after the due date will not be accepted. If you experience extenuating circumstances (e.g., you are hospitalized) that prohibit you from submitting your assignments on time, please let me know. I will evaluate these instances on a case-by-case basis.

- **There will be no makeup exams. Please make your travel plans accordingly.**
- **Cheating on exams will result in an automatic F for the entire course.**
- **I do not offer extra credit work to an individual student.**

Classroom Protocol

In consideration to your classmates and me, be on time, stay for the duration of the class and avoid any disruptive activities within the classroom (cell phones, side conversation, etc.). Thank you!

University Policies (Required)

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester's Catalog Policies section at http://info.sjsu.edu/static/catalog/policies.html. Add/drop deadlines can be found on the current academic year calendars document on the Academic Calendars webpage at http://www.sjsu.edu/provost/services/academic_calendars/. The Late Drop Policy is available at http://www.sjsu.edu/aars/policies/latedrops/policy/. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at http://www.sjsu.edu/advising/.

Consent for Recording of Class and Public Sharing of Instructor Material

University Policy S12-7, http://www.sjsu.edu/senate/docs/S12-7.pdf, requires students to obtain instructor's permission to record the course.
- "Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material."
  - It is suggested that the green sheet include the instructor's process for granting permission, whether in writing or orally and whether for the whole semester or on a class-by-class basis.
  - In classes where active participation of students or guests may be on the recording, permission of those students or guests should be obtained as well.

- "Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent."

Academic integrity

Your commitment as a student to learning is evidenced by your enrollment at San Jose State University. The University Academic Integrity Policy S07-2 at http://www.sjsu.edu/senate/docs/S07-2.pdf requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at http://www.sjsu.edu/studentconduct/.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include your assignment or any material you have submitted, or plan to submit for another class, please note that SJSU's Academic Integrity Policy S07-2 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at http://www.sjsu.edu/aec to establish a record of their disability.

In 2013, the Disability Resource Center changed its name to be known as the Accessible Education Center, to incorporate a philosophy of accessible education for students with disabilities. The new name change reflects the broad scope of attention and support to SJSU students with disabilities and the University's continued advocacy and commitment to increasing accessibility and inclusivity on campus.

ECON 103B-01/ Intro to Econometrics, Fall 2023, Course Schedule

Tentative Course Schedule

Week	Date	Topics, Assignments, Deadlines	Assigned Readings
1	8/21 and 8/23	Introduction, and Syllabus, Review of Econ 103A Material: The Nature of Econometrics and Economic Data	Wooldridge Chapter 1
2	8/28 and 8/30	Review of Econ 103A Material: Bivariate and Multivariate OLS **Problem Set 1 Due (On Canvas by Fri 9/1)**	Bailey Ch 3, Ch 4 and Ch 5
3	*9/4*	*Holiday: Labor Day Campus Closed*	
3	9/6	Introduction to Instrumental Variables	Bailey Ch 9
4	9/11 and 9/13	Continue Instrumental Variables	Bailey Ch 9
5	9/18 and 9/20	Continue Instrumental Variables Term paper objective, data and writing Introduction to Regression Discontinuity: Looking for jumps in data **Problem Set 2 Due (on Canvas Fri 9/20)**	Bailey Ch 9 Bailey Ch 11

Week	Date	Topics, Assignments, Deadlines	Assigned Readings
6	9/25 and 9/27	Continue Regression Discontinuity: Looking for jumps in data	Bailey Ch 11
7	10/2 and 10/4	Continue Regression Discontinuity: Looking for jumps in data **Term paper outline due (on canvas by 11:59pm on Fri 10/6)**	Bailey Ch 11
8	10/9 and 10/11	Introduction of Fixed Effects and Difference in Differences Models	Bailey Ch 8
9	10/16 and 10/18	Continue Fixed Effects and Difference in Differences Models **Problem Set 3 Due (on Canvas Fri 10/20)**	Bailey Ch 8
10	10/23	Midterm Exam will be assigned to Students on Canvas (we will go over the exam questions in class)	
10	10/25	Midterm Exam submission by 11:59pm on Canvas (No lecture)	
11	10/30 and 11/1	Review Dummy Independent Variables Introduction to Dummy Dependent Variable	Bailey Ch 6 Bailey Ch 12
12	11/6 and 11/8	Continue Dummy Dependent Variable **Rough Draft due Fri 11/10 by 11:59pm**	Bailey Ch 12
13	11/13 and 11/15	Time Series Regression **Problem Set 4 Due (on Canvas Fri 11/17)**	Bailey Ch 13
14	11/20	Continue Time Series Regression **(Prerecorded lecture will be posted on Canvas, no in-person lecture)**	Bailey Ch 13
14	11/22	*Thanksgiving, No Class*	
15	11/27 and 11/29	Meetings to discuss rough drafts	
16	12/4 and 12/6	Continue Time Series Regression **Final term paper due Fri 12/8 by 11:59pm**	Bailey Ch 13
Final Exam	12/12	**Tuesday, Dec 12, Take-Home Final submission by 11:59pm**	