Economics 444: Elementary Econometrics

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Classes: Mondays and Wednesdays, 10:30am - 12:18 pm, in 1180 Smith Laboratory.

Office hours: Mondays and Wednesdays, 1:15pm - 3:00pm.


Economics 444 is a course in econometrics. The course covers linear regression and related topics. We will discuss economic applications and we will analyze real economic data. One central goal for this course is that you will be able to correctly interpret the output of a statistical package such as Eviews. However, an understanding of the statistical procedures that form the basis of such output is essential. The fundamental point of this course is the understanding of the statistical procedures and the ability to correctly interpret these procedures, rather than learning what buttons to push on the computer to make results appear. However, being able to use a statistical package is part of the skills that this course hopes to enrich you with.

The textbook for this course is “Using Econometrics: a practical guide”, by A.H. Studenmund. The campus bookstores will have copies of this book that include a CD containing the Eviews software; you will need to have access to this software.

The final exam for this course is on Thursday, December 11, 7:30am - 9:18am in our regular classroom. The midterm for this course is on Wednesday October 29.

There will be one midterm exam for this course, a computer exercise, five small take-home assignments, and a term paper (yes, I will keep you busy). There will be five occasions for the takehome assignments, and they will be graded on a pass/fail basis; they need to be handed in a week after I hand them out; each takehome assignment will count for five points, and the maximum number of points to be earned with these assignments is 20 (i.e. you can miss one).

Prerequisites: ten credit hours in mathematics above the level of 104. Elementary statistics (STAT 133, 135, or 145) or equivalent. Neither Calculus nor Linear Algebra is required for Econ 444.
The computer exercise will take place in a microlab on the OSU campus (the location will be announced in class later). The purpose of this test is to ensure that you all have some familiarity with the Eviews software, which you will need in order to be able to do the takehome exercises and the term paper. For the term paper, you are required to write a small paper on one of several suggested topics, and you will be provided with a dataset. The due date for this paper is Monday December 1; this deadline is strict.

The final will count for 40 points of your grade, the midterm will count for 20 points, the computer exercise will count for 5 points, the term paper will count for 15 points, and the five take-home assignments will count for 5 points each with a total maximum of 20 points to be earned for the takehome assignments (making a possible total of 100). Not showing up for a midterm, final, or the computer exercise, not handing in your term paper on time, or not handing in your take home assignment will imply that you automatically get 0 points, unless you have a valid medical excuse as well as written proof of it.

The course schedule is as follows.

1. Introduction, approximately 3 classes
2. Chapter 2 and 3, Ordinary least squares and its use, approximately 2 classes
3. Chapter 4, The model assumptions, approximately 3 classes
4. Chapter 5, Hypothesis testing, approximately 4 classes
5. Chapters 6, 7 and 8, Specification issues, approximately 3 classes
6. Chapters 9 and 10, Serial correlation and heteroskedasticity, approximately 3 classes
7. Time permitting: Chapter 12, Time series and Chapter 13, Dummy dependent variables

**Students with disabilities that have been certified by the Office for Disabilities Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs.**