Economics 460- Introduction to Econometrics
Fall 2006

1 Preliminaries

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Course Materials:	Jeffrey M. Wooldridge, *Introductory Econometrics*

2 Course Description

Econometrics applies statistical tools to economic problems. Econometrics is fun because it allows us to see if our economic theories hold up to real world data, to evaluate policy interventions, and to predict things like economic growth, unemployment, and inflation, among other variables of economic interest. Some of the questions we will try to answer over the course of the semester are: Do we observe wage discrimination based on gender or race? Are educational subsidy programs effective in increasing school attendance? Do increases in GDP per capita lead to greater CO2 emissions? What determines housing prices in urban areas, and what can those determinants tell us about environmental justice? And many, many, more...

The course will focus on the basic tool of econometrics – ordinary least squares multivariate regression using cross-sectional data, including derivation of the estimator and hypothesis testing. Time permitting, we will also look at the instrumental variables estimator, time series data, and estimators for limited dependent variables. Emphasis will be on using statistical software to apply what we learn to real world data.

3 Course requirements

Your grade in this course will be based upon problem sets, a midterm, and a final exam. The latter will be cumulative only in the sense that understanding the material in the second half of the course requires having understood the first half. Graded problem sets will be handed out frequently in

Problem sets:	40%
Midterm Exam:	30%
Final Exam:	30%

class, and will often require you to use a statistical software called Stata to complete them. The contribution of each of these elements to your final grade is as follows:

The date of the **midterm exam is November 16 during class** and the date of the **final is December 11 from 3:20-5:20**. Please note these dates and plan accordingly. Writing exams is very time-consuming for me, and I wish to avoid having to write additional make-up exams.

4 Important things to note

- **Except for documented emergencies or University excused absences, make-up exams are not given.**
- Cheating on any quiz or exam will result in a zero score for that work as well as University Conduct Code sanctions.
- Remember that you can only drop a course within the first thirty days of the semester. After that, you are required to give proof of a conflict in order to drop the course. A failing grade does not warrant my signature on your drop slip.

5 Access to Stata

Stata, the software that we will be using in this course, will be installed on the computers in the lab (LA 242) and in the economics department (LA 401). Should you wish, you may also purchase a student copy of the software for your use during the semester (at a price of $45), or you may purchase the real thing for a price of $500. Information on purchasing is available at www.stata.com.