



## Department of Economics Course Outline

<b>Course:</b>	Economics 395 [Use of Statistics in Economics]	<b>Term:</b>	Fall 2009
<b>Time:</b>	MWF 14:00 – 14:50 (Lab: Three Sections B01 M 17:00 – 17:50 B02 T 9:30 – 10:20 B03 F 12:00 – 12:50) Note: Students must enroll in one (1) lab section.	<b>Section:</b>	02
<b>Instructor:</b>	Daniel V. Gordon	<b>Place:</b>	Lecture: SA 124A (subject to change) Lab: SS 018
<b>Office:</b>	SS 430		
<b>Office Hours:</b>	TBA	<b>E-Mail:</b>	dgordon@ucalgary.ca

### Textbook(s):

James H. Stock and Mark W. Watson, INTRODUCTION TO ECONOMETRICS, Brief Edition  
2008 Pearson Addison Wesley [**Required Text**]

### Book(s) on Reserve:

James H. Stock and Mark W. Watson, INTRODUCTION TO ECONOMETRICS, Brief Edition  
2008 Pearson Addison Wesley

### Blackboard:

This course will make use of blackboard – students who are registered in the course can logon at  
<http://blackboard.ucalgary.ca/webapps/login>

### Course Outline:

Prerequisites: Econ 201, 203 and Stats 211 or 213.

Building on the fundamental mechanics of statistics and probability as presented in Stats 211 or 213, Econ 395 familiarizes students with the empirical application of statistical principles to problems of measurement in economics. The course focuses on the intuition and application of

statistical reasoning, the gathering and manipulation of economic data, and the use of standard econometric software. The core of this course comprises Random Variables, Expectation theory, Probability Distributions, Hypothesis Testing and the Two-Variable and Multi-Variable Linear Regression Model.

### Topics Covered

*Random Variables:* The role of random variables as the fundamental building block of econometric models; the use of expectation theory including the conditional expectation operator as the main tool for investigating the characteristics of econometric relationships; the role of probability theory in expectations; sampling and sampling distributions; probability density and cumulative distribution functions.

*Data Gathering and Manipulation:* Instruction on searching for and downloading economic variables from the main economic data sources in Canada; transforming and modifying data to be read into an econometric software package.

*Single and Multi-Variate Probability Distributions:* Instruction on using and interpreting the Uni-variate and Multi-variate Normal distribution; extensions to the t, Chi-squared and F distributions with empirical applications.

*Hypothesis Testing and Inference:* Single and joint hypothesis tests, Type I and Type II errors and p-values; choosing the correct test statistic for the measurement problem.

*The Least Square Regression Estimator:* The two-variable regression model; interpreting the variables, the coefficients and the error term; confidence intervals, goodness-of-fit, hypothesis testing and introduction to multi-variable linear regression models.

*Applications of Econometric Software:* Instruction on using a standard econometric software package; reading data, descriptive statistics, applying the least squares estimator, interpreting econometric results, carrying through with and the empirical interpretation of hypothesis testing and other standard econometric tests; graphical methods.

***Students MUST attend lab presentations. The course will use software Excel and STATA.***

### **Grade Determination and Final Examination Details:**

Topic	Units	Grade	
Project	4	20%	
Assignments	4	15%	
Midterm	2	25%	TBA in 1 <sup>st</sup> week of classes
Final Examination	(2 Hours)	40%	As scheduled by the Registrar

The format and due dates of the project units, assignments and tests will be discussed during the first week of classes. Late assignments or project units will not be accepted. You will be assigned to work in small groups of 2 or 3 students on assignments and project units and a group file is to be handed in. All students in the group will receive the same mark for that assignment or project unit.

Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	97 – 100	B+	81 – 85	C+	66– 69	D+	53 – 56
A	90 – 96	B	75 – 80	C	61 - 65	D	49 – 52
A-	86 - 89	B-	70 - 74	C-	57 - 60	F	0 - 48

Programmable calculators are NOT allowed during the writing of tests or final examinations. Non-programmable calculators WILL be allowed during the writing of tests or final examinations, but cell-phones are strictly forbidden during the writing of examinations.

The date of the in-class midterms will be announced during the first week of class. No deferred midterm will be given. In case of documented illness or family emergency, the extra weight will be shifted to the final examination. The Instructor should be *notified in advance* if a student will be unable to write a midterm. In any case, documentation must be provided as soon as possible (within a day or so of the missed midterm).

There will be a Registrar scheduled **final examination**, lasting 2 hours, and it may be held in a gym. The FULL COURSE will be covered.

Tests and exams MAY involve multiple choice questions.

Students' Union Vice President Academic:

Meg Martin  
 Phone: 220-3911  
 E-Mail [suvpaca@ucalgary.ca](mailto:suvpaca@ucalgary.ca)

Students' Union Faculty Representative (Social Sciences)

Chris Kalantzis  
 Phone: 220-3913 Office: MSC 251  
 E-Mail [socialscirep@su.ucalgary.ca](mailto:socialscirep@su.ucalgary.ca)

Society of Undergraduates in Economics (S.U.E.)

[www.ucalgary.ca/sue/](http://www.ucalgary.ca/sue/)

**Notes:**

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within fifteen* days of the work being returned to the class.
- Make-up midterm tests/assignments and deferred midterm tests/assignments **will not be given**. In cases of documented illness, documented family emergency, or documented religious observance, extra weight will be given to the final examination.
- Midterm tests and the final examination will only be given on the indicated dates, not before.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 403-220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation.

Safewalk / Campus Security: 403-220-5333

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DVG  
14/08/09