

ECON 468: Econometrics 1 (Honours)

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Description:

ECON 468 is the undergraduate Honours course in econometrics. The students are required to take ECON 257 D1/D2 prior to taking ECON 468. My main objective in this course is to introduce the fundamental ideas in econometric analysis using simple linear models. We can go quite far taking this route. Simple extensions to nonlinearity will be covered, but not emphasized. Data analysis can be performed using any software. However, if you may find it useful to learn STATA for this purpose.

Textbook:

The required textbook for the class is “Introduction to Econometrics” (4th edition) by James H. Stock and Mark W. Watson. Chapter 1 is an easy to read Introduction and Chapters 2 and 3 contain materials on probability and statistics that you should know from ECON 257. Therefore, I would encourage you to read Chapters 1-3 on your own. I will only have time to quickly review very selective materials from Chapters 2-3. On the other hand, we plan to cover the materials from Chapters 4-14 thoroughly. This means that we will need to carefully cover the materials in the Appendix of the textbook.

Evaluation:

Your grade will be based on (also see pages 4-5 of this outline for more on this):

- your performance in:
 - ✓ two very long homework assignments: **20%**
 - ✓ one in-class midterm exam on **October 22: 30% [covers Ch 4-10]**
 - ✓ one group project **due before/on November 20: 20%**
 - ✓ final exam: **30% [covers Ch 4-14]**

Important points to remember about these modes of evaluation:

- You can work in groups for your assignments, but you must turn in your answers individually. Also, you should be prepared to answer every question from the assignments on your own. I know that the solutions to the textbook problems are available online. However, I would still strongly encourage you to solve those problems (particularly those assigned for homework) on your own. Many of these problems will also be a good opportunity for you to get familiar with the popular statistical software STATA.

The theoretical problems in these assignments will help you prepare for the midterm and the final exams. The empirical problems in these assignments will help you prepare for the project. Students may use artificial intelligence tools, including generative AI, in this course as learning aids or to help produce assignments. However, students are ultimately accountable for the work they submit.

- The midterm and final exams are closed book, closed note; and you are not allowed any crib sheet during exam. Please note that the midterm and final exams will test you on the knowledge of theory of econometrics. You will not be asked to do regression analyses on any statistical software during these exams. Midterm will be based on Chapters 4-10. Please note that there are lots of overlaps in these chapters, and you are already reasonably well-familiar with the materials from Chapters 4-7. The final exam will be based on Chapters 4-14.

- For the project, you need to form groups of size 5-6. You need to inform me of your group composition and your topic for research as soon as possible, preferably by Sep 12 (after add/drop period). You should also try to update me semi-regularly on your progress on this project. You are expected to submit the project report on or before November 20. This project will involve:
 - (i) coming up with a research question (not necessarily from Economics) that can possibly be answered using empirical analysis taught in ECON 468
 - (ii) collecting the relevant data
 - (iii) doing the relevant empirical analysis
 - (iv) writing a high-quality project report that will contain an Introduction describing the research question, a reasonably good literature review, description of data, description of the empirical strategy, discussion of the empirical results and their implications.

Office Hours and Conferences:

My regular office hours are on Tuesdays and Thursdays at 10:30-11:30 am (LEA 532). Before exams, I will hold these office hours on Zoom so that everyone can attend without needing to come to my office. Do note that Gabriel will hold his regular office hours and conferences and you should try to take advantage of that as much as possible. Gabriel will make those announcements separately.

Other important administrative points to remember:

1. Students have the right to request reasonable accommodations from Student Accessibility and Achievement (SAA). SAA may mandate accommodations, and in these cases, accommodations must be granted. SAA may suggest accommodations, in which case the final decision to provide the accommodation lies with the instructor.

2. Assessment specific accommodation requests must be received before the assessment is due.

3. Students have the right to request third party rereads. Before doing so, students must make a request to the course instructor for an explanation of the grade. The request must be in writing and include a rationale for the requested change of grade.

4. In the event of extraordinary circumstances beyond the control of McGill University, assessment tasks in a course are subject to change, provided students are sent adequate and timely communications regarding the change.

McGill Policy Statements:

Academic Integrity:

“McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures” (see www.mcgill.ca/students/srr/honest/ for more information). *(Approved by Senate on 29 January 2003)*

Language of Submission :

“In accord with McGill University’s Charter of Students’ Rights, students in this course have the right to submit in English or in French any written work that is to be graded.” *(Approved by Senate on 21 January 2009)*