Final Paper Project Expectation

AECN 396/896-002

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Introduction (3 points)

- clear identification of what you are trying to find out (research question) [1.5 points]
- why the research question is worthwhile answering [1.5 points]

Data description and exploration (7 points)

- the nature of the data with summary statistics table [2 point]
- visualize a few key variables in a meaningful way [5 points]

Important

Do not just present summary statistics and graphs. Discuss what you get out of them. Without any such discussions, you will get 0.

Econometric methods (35 points)

The process and thought history of how you end up with the final econometric models and methods.

Results, Discussions, and Conclusions (5 points)

- interpret and describe the results [3 points]
- conclusions [2 points]

Details on the Econometric Method Section

Data generating process

- What variables are involved in explaining the dependent variable?
  - List all the variables both observed and unobserved .
- How are they related with each other?
  - Multicollinearity?
- What would be the appropriate functional form?
  - Non-linear impact (e.g., quadratic, log)?
  - Interactions terms?
  - Structural difference?

Details on the Econometric Method Section

Endogeneity and Econometric Methods

- Extensive discussions on why you may have endogeneity problems. What are the sources?
  - Omitted variable?
  - Selection bias?
  - Reverse causality?
  - Measurement errors?
- Hypothetical discussion of what econometric methods you can use to deal with the endogeneity problem
  - Randomization of the variable of interest?
  - Panel data approach?
  - Instrumental variable approach?
  - Difference in difference?
- Detailed descriptions of what you end up doing (explain the process)
  - Why do you think your approach address the endogeneity problem you identified above or not? (It is not at all a problem that you cannot solve the endogeneity problem entirely)
- Use the appropriate standard error estimation approach (heterogeneity, clustered error, etc)

Key to writing a successful paper (high grade)

- Justify and explain everything you did in the paper!!
  - I tested the joint statistical significance of these interactions terms because ...
- Re-emphasized: I do not care about your results. What I care is the process !!