



## UNSW Course Outline

# ECON5205 Econometrics - 2024

Published on the 28 Jan 2024

## General Course Information

Course Code : ECON5205

Year : 2024

Term : Term 1

Teaching Period : T1

Is a multi-term course? : No

Faculty : UNSW Business School

Academic Unit : School of Economics

Delivery Mode : Multimodal

Delivery Format : Standard

Delivery Location : Kensington

Campus : Sydney

Study Level : Postgraduate

Units of Credit : 6

### Useful Links

[Handbook Class Timetable](#)

## Course Details & Outcomes

### Course Description

This course introduces the use of econometrics to explore and estimate economic relationships using linear regression models. Extensions covering statistical complications such as heteroskedasticity, data issues such as proxy variables, and regression with time series data will also be included. Practical computer applications feature throughout. The course will give

students a basic understanding of methods required to model the inter-relationship between variables and prepare them for further studies of econometric methods.

## Course Aims

ECON5205 provides an introduction to econometrics, which involves the application of statistical methods in the analysis of economic data. ECON5205 is a prerequisite for ECON5206 (Financial Econometrics), ECON5408 (Applied Econometric Methods) and ECON5403 (Econometric Theory).<sup>1</sup>

ECON5103 (Business Economics) and COMM5005 (Quantitative Methods for Business) are prerequisites or corequisites for ECON5205.

## Relationship to Other Courses

## Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CL01 : Analyse and articulate the assumptions underlying regression models.	• PL01 : Business Knowledge
CL02 : Utilise and apply appropriate statistical software to analyse data.	• PL01 : Business Knowledge • PL02 : Problem Solving
CL03 : Demonstrate appropriate and relevant presentation of regression analysis results.	• PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication
CL04 : Employ econometric models and methods to interpret and analyse real data in economics, finance and other social sciences.	• PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication
CL05 : Synthesize ideas through succinct and clearly constructed written and oral work, demonstrating logical and professional presentation.	• PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication
CL06 : Critically analyse and evaluate environmental and sustainability considerations in problems in economics and business. Demonstrate an understanding of the ethical responsibilities associated with reporting econometric results.	• PL01 : Business Knowledge • PL02 : Problem Solving • PL05 : Responsible Business Practice • PL06 : Global and Cultural Competence

Course Learning Outcomes	Assessment Item
CLO1 : Analyse and articulate the assumptions underlying regression models.	<ul style="list-style-type: none"> <li>• Problem Sets</li> <li>• In-Session Test</li> <li>• Discussion Participation</li> <li>• Final exam</li> </ul>
CLO2 : Utilise and apply appropriate statistical software to analyse data.	<ul style="list-style-type: none"> <li>• Problem Sets</li> <li>• In-Session Test</li> <li>• Discussion Participation</li> </ul>
CLO3 : Demonstrate appropriate and relevant presentation of regression analysis results.	<ul style="list-style-type: none"> <li>• Final exam</li> <li>• Problem Sets</li> <li>• In-Session Test</li> <li>• Discussion Participation</li> </ul>
CLO4 : Employ econometric models and methods to interpret and analyse real data in economics, finance and other social sciences.	<ul style="list-style-type: none"> <li>• Problem Sets</li> <li>• In-Session Test</li> <li>• Discussion Participation</li> </ul>
CLO5 : Synthesize ideas through succinct and clearly constructed written and oral work, demonstrating logical and professional presentation.	<ul style="list-style-type: none"> <li>• In-Session Test</li> <li>• Discussion Participation</li> </ul>
CLO6 : Critically analyse and evaluate environmental and sustainability considerations in problems in economics and business. Demonstrate an understanding of the ethical responsibilities associated with reporting econometric results.	<ul style="list-style-type: none"> <li>• Problem Sets</li> <li>• In-Session Test</li> <li>• Discussion Participation</li> </ul>

## Learning and Teaching Technologies

Moodle - Learning Management System

## Learning and Teaching in this course

### Approach to Learning and Teaching in the Course

The lectures, seminars and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcomes.

### Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the course schedule, the content of lecture videos, and the content of the seminar program.

## **Lectures**

The purpose of lectures is to provide a logical structure for the topics that make up the course; to emphasise the important concepts and methods of each topic; and to provide relevant examples to which the concepts and methods are applied. All lectures will be pre-recorded and uploaded on Moodle.

## **Seminars**

Seminars are an integral part of the subject. Seminar discussions of required readings, and solutions to problems are designed to help students deepen their understanding and practice learned material. Two seminars are being offered this term, one being online and the other being in-person. Students are to attend the seminar they are formally enrolled in.

## **Out-of-Class Study**

Most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and seminar time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

1. Read the relevant chapter(s) of the text and relevant lecture slides before the lecture. This will give you a general idea of the topic area.
2. Watch the pre-recorded lecture videos. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic will be explained.
3. Attempt seminar questions before attending the seminar class. This helps you identify issues that can be clarified or resolved in the seminar class.

# Assessments

## Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Problem Sets Assessment Format: Individual	20%	Due Date: Problem sets due on Fridays at 4pm in Week 4 and Week 10	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO4 : Teamwork</li><li>• PLO6 : Global and Cultural Competence</li></ul>
In-Session Test Assessment Format: Individual	25%	Start Date: Not Applicable Due Date: Wednesday March 20 from 3pm-4pm	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO5 : Responsible Business Practice</li><li>• PLO6 : Global and Cultural Competence</li></ul>
Discussion Participation Assessment Format: Individual	5%	Start Date: Not Applicable Due Date: Not Applicable	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO4 : Teamwork</li></ul>
Final exam Assessment Format: Individual	50%	Start Date: Not Applicable Due Date: Not Applicable	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li></ul>

## Assessment Details

### Problem Sets

#### Assessment Overview

The problem sets are designed to assess your understanding of regression models and your ability to interpret regression results and appraise the quality of a model.

#### Course Learning Outcomes

- CLO1 : Analyse and articulate the assumptions underlying regression models.
- CLO2 : Utilise and apply appropriate statistical software to analyse data.
- CLO3 : Demonstrate appropriate and relevant presentation of regression analysis results.
- CLO4 : Employ econometric models and methods to interpret and analyse real data in economics, finance and other social sciences.
- CLO6 : Critically analyse and evaluate environmental and sustainability considerations in problems in economics and business. Demonstrate an understanding of the ethical responsibilities associated with reporting econometric results.

### Detailed Assessment Description

Each of the 2 problem sets are worth 10% of the final marks.

See Moodle for more details.

## **In-Session Test**

### Assessment Overview

The In-session Test will cover the first five weeks of the course.

### Course Learning Outcomes

- CL01 : Analyse and articulate the assumptions underlying regression models.
- CL02 : Utilise and apply appropriate statistical software to analyse data.
- CL03 : Demonstrate appropriate and relevant presentation of regression analysis results.
- CL04 : Employ econometric models and methods to interpret and analyse real data in economics, finance and other social sciences.
- CL05 : Synthesize ideas through succinct and clearly constructed written and oral work, demonstrating logical and professional presentation.
- CL06 : Critically analyse and evaluate environmental and sustainability considerations in problems in economics and business. Demonstrate an understanding of the ethical responsibilities associated with reporting econometric results.

### Detailed Assessment Description

The In-Session test will be held online on Wednesday March 20 from 3pm-4pm. See Moodle for more details.

## **Discussion Participation**

### Assessment Overview

Throughout the course, students are asked to participate in weekly Discussion Questions. The weekly Discussion Questions are designed to provide opportunities for students to:

- 1) practice the concepts they have learned in each topic;
- 2) reinforce their learning and help them identify the areas they need to focus on;
- 3) deepen their understanding of these concepts and their applications through discussion with their peers; and
- 4) link the concepts they have learned to their experiences and help them solidify the relevance of the course to the real world and to their lives.

It also enables the teaching staff to identify areas and concepts that need to be discussed further in class.

### **Course Learning Outcomes**

- CL01 : Analyse and articulate the assumptions underlying regression models.
- CL02 : Utilise and apply appropriate statistical software to analyse data.
- CL03 : Demonstrate appropriate and relevant presentation of regression analysis results.
- CL04 : Employ econometric models and methods to interpret and analyse real data in economics, finance and other social sciences.
- CL05 : Synthesize ideas through succinct and clearly constructed written and oral work, demonstrating logical and professional presentation.
- CL06 : Critically analyse and evaluate environmental and sustainability considerations in problems in economics and business. Demonstrate an understanding of the ethical responsibilities associated with reporting econometric results.

### **Detailed Assessment Description**

See Moodle for more details.

## **Final exam**

### **Assessment Overview**

The final exam will be held in the University examination period and designed to be completed in two hours by a well-prepared student.

The final exam is designed to assess knowledge of econometric concepts and students' understanding of regression models and the application of those models to real-world problems. The questions will involve interpretation of regression results, basic calculations, hypothesis testing, and evaluation of regression models.

The final exam will cover the entire course. Further information on the content and structure of the final exam will be provided towards the end of term.

### **Course Learning Outcomes**

- CL01 : Analyse and articulate the assumptions underlying regression models.
- CL03 : Demonstrate appropriate and relevant presentation of regression analysis results.

### **Detailed Assessment Description**

See Moodle for more details.

### **Assessment Length**

2 hours



# General Assessment Information

## Grading Basis

Standard

## Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

# Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 12 February - 18 February	Lecture	Lecture A Introduction to Econometrics Wooldridge Ch 1
	Lecture	Lecture B Simple Regression Wooldridge Ch 2
	Seminar	NO SEMINAR
Week 2 : 19 February - 25 February	Lecture	Lecture A Estimation Wooldridge Ch 2
	Lecture	Lecture B Multiple Regression Wooldridge Ch 2, 3
	Seminar	Seminar 1
Week 3 : 26 February - 3 March	Lecture	Lecture A Multiple Regression Wooldridge Ch 2, 3
	Lecture	Lecture B Inference and Testing Wooldridge Ch 4
	Seminar	Seminar 2
Week 4 : 4 March - 10 March	Lecture	Lecture A Inference and Testing Wooldridge Ch 4
	Lecture	Lecture B Functional Forms and Asymptotics Wooldridge Ch 5,6
	Seminar	Seminar 3
	Assessment	Problem Set 1 due Friday March 8 at 4pm.
Week 5 : 11 March - 17 March	Lecture	Qualitative Data Wooldridge Ch 7
	Lecture	Model Testing and Data Issues Wooldridge Ch 8, 9
	Seminar	Seminar 4
Week 6 : 18 March - 24 March	Lecture	NO LECTURE
	Seminar	NO SEMINAR
	Assessment	In-session Test on Wednesday March 20, 3pm-4pm
Week 7 : 25 March - 31 March	Lecture	Lecture A No Lecture due to In-session Test
	Lecture	Lecture B Heteroskedasticity Wooldridge Ch 8, 9
	Seminar	Seminar 5
Week 8 : 1 April - 7 April	Lecture	Lecture A Time Series Wooldridge Ch 10
	Lecture	Lecture B Time Series Wooldridge Ch 10
	Seminar	Seminar 6
Week 9 : 8 April - 14 April	Lecture	Lecture A Panel Data Wooldridge Ch 13
	Lecture	Lecture B Policy Evaluation Wooldridge Ch 13
	Seminar	Seminar 7

Week 10 : 15 April - 21 April	Lecture	Lecture A Review
	Lecture	Lecture B No Lecture
	Seminar	Seminar 8
	Assessment	Problem set 2 due Fridy April 19 at 4pm

## Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

## Course Resources

### Prescribed Resources

This subject requires econometric/statistical software. The preferred software is Stata and you may only use another statistical package with the explicit permission of the lecturer.

Stata 16 is currently available through 'myAccess'. Simply go to the dedicated myAccess website at <https://www.myaccess.unsw.edu.au> and use your zID and zPass to log into the service. You will need to complete some essential checks of your device and install a Citrix receiver on your device first to use the service. User guides on the myAccess website provide you with step-by-step instructions on how to complete these checks, install on multiple devices and operating systems and how to save, print and download files.

If students want to purchase a personal copy of Stata they can do so directly from the provider at <http://www.surveymdesign.com.au/buygradplan.html> through the Australian GradPlan arrangements at a cost that varies depending on plan chosen. The version of small Stata, which can handle only up to 99 variables x 1200 observations, is not recommended.

The website for this course is on [UNSW Moodle](#). The course website will contain links to the course outline, lecture slides, pre-recorded lecture videos, seminar questions, data sets required for the seminar questions, information on how to use Stata, examples of Stata programs and announcements. Students should consult this website at least once a week as it contains important information about the course. It will be assumed that all students have seen announcements posted on the course website.

A list of readings to be discussed in seminars will be provided on Moodle.

The required textbook for this course is:

- Wooldridge, J.M., *Introductory Econometrics: A Modern Approach*, 7th Edition, South-Western

This textbook is currently in stock at the UNSW bookstore, and copies are held in Open Reserve in the Main Library. Previous editions of this text will also be a suitable reference, but be aware that any page number references appearing in course material will relate to the latest edition and not to previous editions.

The following book provides an alternative presentation of similar material:

- J.H. Stock and M.W. Watson (2012) *Introduction to Econometrics*, 3rd Edition, Pearson.

More advanced treatment of the topics covered in the course are presented in the textbooks:

- W. Greene (2012) *Econometric Analysis*, 7th edition, Pearson.
- A.C. Cameron and P. Trivedi (2005) *Microeconometrics: Methods and Applications*, Cambridge University Press.

## Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

The School of Economics strives to be responsive to student feedback. If you would like more information on how the design of this course and changes made to it over time have taken students' needs and preferences into account, please contact the Director of Education at the School of Economics.

### Consent for De-Identified Data to be Used for Secondary Research into Improving Student Experience

To enhance your student experience, researchers at UNSW conduct academic research that involves the use of de-identified student data, such as assessment outcomes, course grades, course engagement and participation, etc. Students of this course are being invited to provide their consent for their de-identified data to be shared with UNSW researchers for research purposes after the course is completed.

Providing consent for your de-identified data to be used in academic research is voluntary and

not doing so will not have an impact on your course grades.

Researchers who want to access your de-identified data for future research projects will need to submit individual UNSW Ethics Applications for approval before they can access your data.

A full description of the research activities aims, risks associated with these activities and how your privacy and confidentiality will be protected at all times can be found [here](#).

If you **consent** to have your de-identified data used for academic research into improving student experience, you do not need to do anything. Your consent will be implied, and your data may be used for research in a format that will not individually identify you after the course is completed.

If you **do not consent** for this to happen, please email the [opt-out form](#) to [seer@unsw.edu.au](mailto:seer@unsw.edu.au) to opt-out from having your de-identified data used in this manner. If you complete the opt-out form, the information about you that was collected during this course will not be used in academic research.

## Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Convenor	Yi Zhang		Room 430B, UNSW Business School	(02)9065 3432	Thursdays 3:30pm-4:30pm, and by appointment	No	Yes
Lecturer	Fanghua Li		Room 3122, Quadrangle Building	(02) 9065 3321	Thursdays 3:30pm-4:30pm, and by appointment	No	No

## Other Useful Information

### Academic Information

### COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration

- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [key policies and support](#) page.

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

## STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [key policies and support](#) page. For PG Research PLOs, including MPDBS, please refer to the [UNSW HDR Learning Outcomes](#).

## Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

## Submission of Assessment Tasks

### SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams.

Students studying remotely who have exams scheduled between 10pm and 7am local time, are also able to apply for special consideration to sit a supplementary exam at a time outside of these hours.

Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable. To apply, and for further information, see Special Consideration on the UNSW [Current Students](#) page.

Special consideration applications will be assessed centrally by the Case Review Team, who will update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application.

Please note the following:

1. Applications can only be made through Online Services in myUNSW (see the UNSW [Current Students](#) page). Applications will not be accepted by teaching staff. The lecturer-in-charge/course coordinator will be automatically notified when your application is processed.
2. Applying for special consideration does not automatically mean that you will be granted a supplementary exam or other concession.
3. If you experience illness or misadventure in the lead up to an exam or assessment, you must submit an application for special consideration, either prior to the examination taking place, or prior to the assessment submission deadline, except where illness or misadventure prevent you from doing so.
4. If your circumstances stop you from applying before your exam or assessment due date, you must apply within 3 working days of the assessment or the period covered by your supporting documentation.
5. Under the UNSW Fit To Sit/Submit rule, if you sit the exam/submit an assignment, you are declaring yourself well enough to do so and are cannot subsequently apply for special consideration.
6. If you become unwell on the day of – or during – an exam, you must stop working on your exam, advise your course coordinator or tutor and provide a medical certificate dated within 24 hours of the exam, with your special consideration application. For online exams, you must contact your course coordinator or tutor immediately via email, Moodle or chat and advise them you are unwell and submit screenshots of your conversation along with your medical certificate and application.
7. Special consideration requests do not allow the awarding of additional marks to students.

Further information on Business School policy and procedure can be found under “Special Consideration” on the [key policies and support](#) page.

## LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. An assignment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the 'wrong' assignment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

## FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

## Faculty-specific Information

### PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer to [this page](#).



## COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

## QUALITY ASSURANCE

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

## TEACHING TIMES AND LOCATIONS

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.