

Syllabus for Economics 671, PhD Econometrics I

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Table 1: Instructor and TA contact information.

Welcome to Econ 671! This class has three goals. You are going to study and learn fundamental techniques in econometrics and statistics so that you can use them in your future research. You are also going to learn some of the basic theoretical concepts in econometrics so that you can understand new techniques when you encounter them in future classes and later in your career. And, finally, you're going to learn how to use a computer to do statistical and econometric analysis.

If you have questions about the course material, the best times to address them are in the scheduled class meetings or during office hours. We can probably resolve questions or concerns about the course administration over email, but if you have urgent questions please call me or stop by my office.

Textbooks and software

The main (required) textbooks for this class are [Ram93] and [Hay00].¹ [Ram93] covers the first half of the course (basic probability and statistics) and [Hay00] covers the theoretical foundations for the second half of the course (linear regression). [Hay00] will also be the main textbook for Econ 672 in the spring. By the end of this semester, you are essentially responsible for the first nine chapters of [Ram93], the first two chapters of [Hay00], and much of [IW09].² I have also assigned some papers and notes that will help you understand empirical research strategies, and that reading is available through the course webpage. The course *Reading Guide* has a short overview of the different readings.

I strongly recommend that you buy and read this class's optional books. [Fre09] is a very critical overview of regression analysis in social science and reading it will probably help your research more than any other book. The other recommended book, [Tho11], will be useful in your coursework and research but is not directly tied to this class's material.

You are also going to start to learn computer programming in this class.³ The TA will teach R, a specialized language that's designed for

¹ There is a bibliography with full citations at the end of the syllabus.

² [Ram93] covers linear regression as well, but its treatment is pretty dated. There is some regression material that [Ram93] covers and [Hay00] does not, but we will cover that additional material in class.

³ [Hea13] makes some general suggestions on setting up a computer for research that largely match my own advice.

Topic	RAT	Reading
Probability theory (weeks 1 – 3)	9/01	[Ram93] 2 – 3
Sampling and asymptotics (4, 5)	9/15	[Ram93] 5 – 7
Estimation and inference (6 – 8)	9/29	[Ram93] 8, 9
Finite sample OLS (9, 10)	10/20	[Hay00] 1
Regression asymptotics (11, 12)	11/03	[Hay00] 2
Causal inference (13 – 15)	11/17	[IW09], [Rub08]
Other events	Dates	
Practice peer evaluation	10/20	
Thanksgiving break	11/23 – 11/27	[Fre91], [Ros09] 19
Final exam	Fri. 12/18	7:30a – 9:30

Table 2: List of major units and required reading for the class. There is a bibliography with full citations at the end of the syllabus. The individual chapters and articles are available on the course homepage (or on Google). The reading assigned for Thanksgiving break is required but will not be tested on a RAT.

statistical analysis, in some of the Friday discussion sessions.⁴ [Tee11] is a useful reference book for R and I've required it for this course. You are expected to bring it to class meetings as reference material. There are many other excellent introductions to R; one advantage of [Tee11] is that it is organized by task, so it is relatively easy to look up information as you need it.

Finally, this class assumes that you have taken an undergraduate statistics and econometrics sequence. If you haven't, please talk to me immediately so we can come up with a plan together. But you should at least read [FPP07] (very basic probability and statistics) and [Tuf74] (simple regression and empirical research) ASAP and you are *especially* encouraged to read [Fre09] early in the semester. You may also find [Woo12] and [Ken08] and to be useful resources.⁵ Old editions of these books should be fine.

Grading

This course uses the *Team-Based Learning* (TBL) instructional strategy, which is probably different from instruction styles you've had before. Most of the content is covered individually with readings and short problems completed outside of class. Most of the activities and projects, which would conventionally be done as out-of-class homework and group projects, are done in teams during class.

The course is split into six units of material, which are listed in Table 2. There will be six short multiple-choice *Readiness-Assurance Tests* (RATs) at the **beginning** of each unit of material; these will be taken as individuals first, then as a team. The lowest individual score will be dropped (to accommodate emergencies or illness) but all of the team scores are counted. The RATs will test you on the reading assignments, but are

⁴ R can be downloaded for free from «<http://www.r-project.org>».

⁵ [Woo12] is a widely used undergraduate textbook that covers much of the material that we cover in the second half of the course at a simpler mathematical level. [Ken08] uses much less math and focuses more on intuition, but the presentation is a bit dated.

designed to establish a baseline level of understanding so that the team activities will be productive. You will not be expected to master the material until we have finished the unit. The course *Reading Guide* spells out our expectations in detail.

There will also be several graded team activities at the during each unit, as well as an individual final exam. For team tests and projects, all members of the team will receive the same score.

Scores in three areas will determine the grades: *Individual Performance*, *Team Performance* and constructive behavior as determined by *Peer Evaluations*.

Setting grade weights

Representatives from each team will set the percentage of the course grade that will be determined by scores in each of the major performance areas during the first class period. Team representatives will also decide on the relative weight of the Readiness Assurance Tests and the exams within the Individual Performance area.

Grade weights will be set for the class using the following procedures:

1. Each team will set preliminary weights and select a member to meet with other teams' representatives.
2. Team representatives will meet in the center of the room and develop a consensus (i.e., every representative has to be in agreement) about the grade weights for the class as a whole.
3. The only limitations on your grade weight decisions are listed in the table:
 - (a) A minimum of 20% of the total grade must be assigned to each major performance area.
 - (b) Within the individual performance area, at least 20% of the grade must be based on the final exam and at least 20% must be based on the total of the individual RATs.

Table 3 summarizes these rules and provides space to enter the weights after you negotiate.

Final exam

The final exam will have a mixture of questions taken from the textbooks and that build on the in-class activities. This is a substantially different approach to the final exam than I've used in the past, so please do not use previous exams as a study guide for this year's test.

Component	Weight	Min.(%)	Max.(%)
Individual performance	_____	20	60
Individual RATs	_____	20	80
Final exam	_____	20	80
Team performance	_____	20	60
Team RATs	30%		
Team projects	70%		
Peer evaluations	_____	20	60

Table 3: Possible weights for each component of the course grades — the specific weights will be determined by the class as described in the syllabus. The three components of “individual performance” must add up to 100%, with a minimum weight of 20% on each exam and on the overall individual RAT scores. The weights of the three main performance areas (in bold) must also add up to 100% and must each be at least 20%.

Peer evaluations

Each individual will rate the contributions all of the other members of their teams during the final exam. Individual Peer Evaluation scores will be the average of the points they receive from the members of their team. Assuming arbitrarily that: 1) constructive behavior is worth 10 points, and 2) that there six members in a team, an example of this procedure would be as follows:

Each individual must assign a total of 50 points to the other five members in their team. Raters must differentiate some scores in their ratings (This means that each rater would have to give at least one score of 11 or higher — with a maximum of 15 — and at least one score of 9 or lower — with a minimum of 5). The Team Maintenance scores will produce differences in grades only within teams. As a result, team-members can’t help everyone in their team get an A by giving them a high peer evaluation scores. The only way for everyone in a team to earn an A is by doing an outstanding job on the individual exams and team exams and projects.

Determination of final grades

The final grades will be determined as follows:

1. A raw total score will be computed for each student in each major performance area. (In the Individual Performance area, this will be a weighted combination of the sum of the five highest individual Readiness Assurance Test scores and the final exam score; in the Team Performance area, this will be the sum of the scores on each of the graded team assignments; and the Team Maintenance score will be the average of the peer evaluations received from the other members of his or her team.)

2. Students' total scores will be computed by multiplying the raw scores in each area by the grade "weight" set by the class (see above).
3. Course grades will be based on each student's standing in the overall distribution of total individual scores within the class. The actual impact of any score on an individual student's final grade depends on both his or her actual score and also how high or low he or she scores relative to other members of the class. The conventional practice of 90% is an A, 80% is a B, etc. simply does not apply.

Friday lab sessions

We'll do two things with the Friday review sessions. Students in the past have asked for an opportunity to review the assigned reading before taking the RATs, so the TA will lead a reading-review session before each unit. Those sessions are meant primarily to answer your questions about the material, so please prepare questions in advance. We will use the remaining meetings to learn programming and some aspects of software development.⁶ A tentative plan for these sessions is listed in Table 4.

⁶ These meetings are loosely based on the curriculum described by [Wil06] and available at at «<http://www.softwarecarpentry.org>».

License and copyright

To the extent possible under law, Gray Calhoun, the author, has waived all copyright and related or neighboring rights to this document. Anyone is free to reuse some or all of this syllabus to teach a similar class, or for any other purpose. You can download the LaTeX source code for this file from the course homepage, «<http://gray.clhn.org/671>».

University policies

The following policies apply to *every* course at Iowa State University. They are listed here for your convenience and reference.

Topic	Week	Topic	Week
<i>Probability review session</i>	1	<i>Regression review</i>	8
Introduction to R	2	Regression in R	9
<i>Sampling and asymptotics review</i>	3	<i>Asymptotics for OLS review</i>	10
Git and GitLab	4	More R programming	11
<i>Estimation and inference review</i>	5	<i>Causal inference review</i>	12
Graphics in R	6	TA's choice	13
Data management	7	TA's choice	14
		<i>Final exam review</i>	15

Table 4: Tentative list of topics covered during Friday review session. Classes that are *emphasized* will be held in the regular classroom; the rest will be held in the computer lab.

Academic dishonesty

The class will follow Iowa State University's policy on academic dishonesty. Anyone suspected of academic dishonesty will be reported to the Dean of Students Office, <<http://www.dso.iastate.edu/ja/academic/misconduct.html>>.

Disability accommodation

This material can be provided to you in alternative format. Anyone who anticipates difficulties with the content or format of the course due to a physical or learning disability should see me immediately in order to work out a plan. You may also want to contact the Disability Resources (DR) office, located on the main floor of the Student Services Building, Room 1076 or call them at 515-294-7220.

Dead week

For academic programs, the last week of classes is considered to be a normal week in the semester except that in developing their syllabi faculty shall consider the following guidelines:

- Mandatory final examinations in any course may not be given during Dead Week except for laboratory courses and for those classes meeting once a week only and for which there is no contact during the normal final exam week. Take home final exams and small quizzes are generally acceptable. (For example, quizzes worth no more than 10 percent of the final grade and/or that cover no more than one-fourth of assigned reading material in the course could be given.)
- Major course assignments should be assigned prior to Dead Week (major assignments include major research papers, projects, etc.). Any modifications to assignments should be made in a timely fashion to give students adequate time to complete the assignments.
- Major course assignments should be due no later than the Friday prior to Dead Week. Exceptions include class presentations by students, semester-long projects such as a design project in lieu of a final, and extensions of the deadline requested by students.

Harassment and discrimination

Iowa State University strives to maintain our campus as a place of work and study for faculty, staff, and students that is free of all forms of prohibited discrimination and harassment based upon race, ethnicity, sex (including sexual assault), pregnancy, color, religion, national origin, physical or mental disability, age, marital status, sexual orientation, gender

identity, genetic information, or status as a U.S. veteran. Any student who has concerns about such behavior should contact his/her instructor, Student Assistance at 515-294-1020, or the Office of Equal Opportunity and Compliance at 515-294-7612.

Religious accommodation

If an academic or work requirement conflicts with your religious practices and/or observances, you may request reasonable accommodations. Your request must be in writing, and your instructor or supervisor will review the request. You or your instructor may also seek assistance from the Dean of Students Office or the Office of Equal Opportunity and Compliance.

Contact information

If you feel that any of your rights as a student have been violated, please email «academicissues@iastate.edu».

References

- [FPP07] David Freedman, Robert Pisani, and Roger Purves. *Statistics*. W.W. Norton & Company, 4th edition, 2007.
- [Fre91] David A. Freedman. Statistical models and shoe leather. *Sociological Methodology*, 21:291–313, 1991.
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- [Hay00] Fumio Hayashi. *Econometrics*. Princeton University Press, 2000. Required textbook.
- [Hea13] Kieran Healy. Choosing your workflow applications. Unpublished manuscript, available at «<http://kieranhealy.org/files/misc/workflow-apps.pdf>», February 2013.
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- [Ros09] Paul R. Rosenbaum. *Design of Observational Studies*. Springer, 2009.

- [Rub08] Donald B. Rubin. For objective causal inference, design trumps analysis. *Annals of Applied Statistics*, 2(3):808–840, 2008.
- [Tee11] Paul Teetor. *R Cookbook*. O'Reilly, 2011. Required textbook.
- [Tho11] William Thomson. *A Guide for the Young Economist*. MIT Press, 2nd edition, 2011. Recommended textbook.
- [Tuf74] Edward R. Tufte. *Data Analysis for Politics and Policy*. Prentice-Hall, 1974. Available as an ebook from «<http://www.edwardtufte.com/tufte/ebooks>» for \$2.
- [Wil06] Greg Wilson. Software carpentry: Getting scientists to write better code by making them more productive. *Computing in Science & Engineering*, November–December 2006.
- [Woo12] Jeffrey M. Wooldridge. *Introductory Econometrics: A Modern Approach*. Cengage Learning, 5th edition, 2012.