UNIVERSITY OF TORONTO
ECO475H1F
APPLIED ECONOMETRICS II
Fall 2013
Lectures: Friday, 10:00-12:00, SS1070
Tutorials: Friday, 12:00-1:00, SS1070

Instructor:

Professor Junichi Suzuki

Office: Max Gluskin House, Room 306

Telephone: (416) 978-4417

Email: j.suzuki@utoronto.ca

Office hour: Thursday, 4:30-5:30

TA:

Hidenori Takahashi

Office: Max Gluskin House, Room GE40

Office hour: Wednesday, 8:30-10:00

Course Website:

The Black Board (https://portal.utoronto.ca)

Course Outline:

This is the second part of an introductory course in applied econometrics. The primary objective is to provide a solid theoretical and practical foundation for the interpretation of empirical evidence in economics. Students also learn how to apply these techniques to economic data by using statistical software.

Prerequisites:

ECO375H1(70%)/ECO374H1(80%).

Prerequisites are strictly checked and enforced and must be completed **BEFORE** taking a course. It is the student's responsibility to check the prerequisites before enrolling in any course. By taking this course you acknowledge that you will be removed from the course at anytime if you

do not meet all requirements set by the Department of Economics. See Faculty of Arts and Science Calendar for details. The instructor does not have any authority of waiving prerequisites.

Required Textbook:

J. M. Wooldridge**,** *Introductory Econometrics*, Fourth/Fifth Edition, South-Western Cengage Learning. Copies are available at the University Book Store, or can be purchased from various online bookstores.

Other Useful References:

A. C. Cameron and P.K. Trivedi, *Microeconometrics,* Cambridge University Press
A. C. Cameron and P.K. Trivedi, *Microeconometrics Using STATA,* STATA Press
K. Train, *Discrete Choice Methods with Simulation, 2nd edition,* Cambridge University Press

Recommended Statistical Software:

STATA IC 11/12/13

The course involves a considerable amount of computing, and students must learn and use a sophisticated statistical software package. STATA IC 11/12/13 is the ***only*** package that will be supported by the instructor and TA's. Students who have strong preference to use other software, including **STATA10**, should contact the instructor in the first week of the lecture.

Students can purchase STATA IC 13 at discounted prices. While orders are placed online, you will pick up your software at the Software Licensing Office in the Information Commons at Robarts Library. See http://www.utoronto.ca/ic/software/detail/stata.html for details. There are several different types of STATA licenses for students. Buy a six-month license of **STATA/IC 13**. DO NOT purchase Small STATA as Small STATA is not sufficient for ECO475.

Marking Scheme:

The final course mark is based on the following:

Three Problem Sets	6% (2% each)
Term Paper Proposal	3%
Term Paper	41%
Term Test	25%
Final Exam	25%

Policies on Problem Sets

- All problem sets **must be submitted through the Blackboard**. Neither paper submission nor email submission will be counted. Acceptable file formats are MS Word (.doc/docx), Portable Document Format (.pdf), HTML (.htm), and Plain Text (.txt).
- All problem sets are due **at 11:59pm on Thursday**.
- **Both text and STATA log files** need to be submitted.
- Students who fail to submit problem sets on time for medical reasons may seek special consideration by submitting a medical note within a week after the problem set is due. See below for what constitutes an acceptable medical note for a missed problem set.
- Note that requests based on travel, other courses taken, employment or personal plans will not be considered.
- **Only when the instructor accepts students' medical notes**, their mark of the missed problem sets will be calculated as follows:
  - If you miss **a problem set**, your mark of the missed problem set is based on the **lowest** grade of the other two problem sets.
  - If you miss **two problem sets**, you will get zero for the second missed problem set. Your mark of the first missed problem set is based on the grade of the submitted problem set.
  - Needless to say, you will get zero if you miss all the problem sets for whatever reason.

Policies on the Term Paper Proposal and Term Paper

- See the separate handout.

Policies on the Missed Tests

- Students who miss **the term test** for medical reasons may seek special consideration by submitting a medical note within one week after the term test. See below for what constitutes an acceptable medical note for the missed term test.
- Note that requests based on travel, other courses taken, employment or personal plans will not be considered.
- When the instructor accepts students' medical notes, their mark of the missed term test will be based on their marks of the makeup term test.

- The makeup term test will be held on **November 15th, 4:00-5:40pm**. The duration of the test will be 100 minutes.
    - Consistent with university policy, there will be no "make-up" test for the make-up test. No medical excuses will be accepted, and grade of zero will be applied if students fail to write the make-up test.
    - The make-up test covers the topics asked in the regular term test **as well as the materials covered in the lecture on October 25th, November 1st and 8th.**
    - Note also that the make-up test is AFTER the drop date (November 4th).
- Students who miss **the final exam** for reasonable reasons may initiate petitions to the Faculty of the Art and Science. See the website of the Faculty of Arts and Science for more information.

Policies on Late Submission:
- Problem sets/Paper proposal (both graded out of 6): The size of penalty is the number of days passed after the due date. For example, Problem Set 1 (due October 10th) submitted on October 11th (i.e., one day late) automatically loses one mark. In other words, it receives at most 5 out of 6.
- Term paper (graded out of 100): The size of penalty is 7 + (the number of days passed after the due date) * 3. For example, the paper submitted on November 30th (i.e., two-days late) automatically loses 13(=7+2*3) marks. In other words, it receives at most 87 out of 100. No papers will be accepted after December 12th.

Acceptable Medical Notes
- The only accepted note is a fully completed Verification of Student Illness or Injury form. You can find a copy of the form here: http://www.illnessverification.utoronto.ca.
- It must be **original** and completed by a qualified medical doctor (See FAQ section of the link above for more information).
- When you miss a **problem set**, the note must clearly state that either on the due date of the problem set or one day before the due date, the student was too sick to work on the problem set.
- When you miss the **term test**, the note must clearly state that on the date of the term test, the student was too sick to write the test. Illness before the test is not sufficient grounds for missing the test. Nor will I accept notes that indicate that the student would have performed "sub-optimally."

Requests for Regrading

Students may submit to the TA a **typed** request for regrading problem sets and/or the term test **within one month** from the day of the tutorial during which the TA returns the graded problem sets/the term test to students. Picking up materials late is not considered as a reason to extend this deadline. The request should clearly explain why their answers deserve additional points. Simply asking more points will not increase your marks. The entire work is regarded. The final mark may go up or down.

Email Policy

Emails should be considered as a way to send some feedback about the course (e.g., typos in lecture slides, vagueness in problem sets etc.). If you have questions that require individual feedback, please come to office hours or talk to the instructor after the lecture. Each email should contain name, student number and course number and be sent from utoronto address. The TA is NOT expected to reply to emails from students.

Turnitin.com

Normally, students will be required to submit their term papers to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site. Students who object to submitting their papers through this website should contact the instructor in the first week of the lecture.

Academic Misconduct

Academic integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously. The University of Toronto's Code of Behaviour on Academic Matters outlines the behaviours that constitute academic misconduct, the processes for addressing academic offences, and the penalties that may be

imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:
• Using someone else's ideas or words without appropriate acknowledgement.
• Submitting your own work in more than one course without the permission of the instructor.
• Making up sources or facts.
• Obtaining or providing unauthorized assistance on any assignment (this includes working in groups on assignments that are supposed to be individual work).

On tests and exams:
• Using or possessing any unauthorized aid, including a cell phone.
• Looking at someone else's answers.
• Misrepresenting your identity.
• Submitting an altered test for regarding.

Misrepresentation:
• Falsifying institutional documents or grades.
• Falsifying or altering any documentation required by the University, including (but not limited to) doctor's notes.

All suspected cases of academic dishonesty will be investigated following the procedures outlined in the Code of Behaviour on Academic Matters. If you have any questions about what is or is not permitted in this course, please do not hesitate to contact me. If you have questions about appropriate research and citation methods, you are expected to seek out additional information from me or other available campus resources like the College Writing Centers or the Academic Success Centre.

Important Dates:

September 20th	Notify the Instructor if you work in a pair
October 3rd	Term Paper Proposal due
October 10th	Problem Set 1 due
October 18th	Term Test (in class)

November 4th	Last date to drop the course without penalty
November 7th	Problem Set 2 due
November 15th	Make-up Term Test (4:00pm-5:40pm)
November 21st	Problem Set 3 due
November 28th	Term paper due

Tentative Course Schedule:

Date	Week	Topic
9/13	1	Term paper (Ch 19)
9/20	2	Time series I (Ch 10, Ch 11)
9/27	3	Time series II (Ch 12)
10/04	4	Panel data I (Ch 13)
10/11	5	Panel data II (Ch 14)
10/18	6	Term Test
10/25	7	Binary response model (Ch 7.5, 17.1)
11/1	8	Multinomial response model
11/8	9	Ordered data (Ch 17.3)
11/15	10	Tobit model (Ch17.2, 17.4)
11/22	11	Truncated data and sample selection (Ch 17.4, 17.5)
11/29	12	Review Session