

School of Economics and Finance

## **ECON409 ADVANCED ECONOMETRICS B**

Second Trimester 2005

### **COURSE OUTLINE**

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#### **Contact Details**

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Office Hours:	To be Discussed	To be Discussed

#### **Class Times and Room Numbers**

Class Time:	2:40~4:30pm Monday
Tutorial Time:	4:40~5:30pm Monday
Class Place:	RH GO2
Tutorial Place:	RW 102 (for the first half) RH GO2 (for the second half)

#### **Course Objectives**

In Econ 409, we study the econometrics dealing with time series data set. Most of the emphases are given to the analysis of stationary and non-stationary time series. The first six weeks will be contributed to the econometric models of stationary data as an extension of Econ 408. The second six weeks will be spent for the models of the non-stationary time series.

Each three-hour class will be separated into two pieces. The first two hours are for the theory, and the last one-hour class will be used for the data manipulation together with numerical simulations. But, the last one-hour class can be used to make up for the theory materials in case they cannot be covered as scheduled. We don't require students to use any specific statistical package. Students can choose their own program code according to their preference.

All of these are intended to provide students with a fundamental knowledge of the modern time series econometrics and to motivate more curiosity on further research issues.

#### **Course Contents**

Time Slot:	First 6 weeks	Second 6 weeks
Instructors:	John Randal	Jin Seo Cho
Contents:	Stationary ARMA process Forecasting Maximum Likelihood Estimation Vector Autoregression Heteroskedasticity (if time permits)	Review of Asymptotic Theory Deterministic Trend Process Unit Root Process (Assignment) Spurious Regression Cointegration (Assignment)

## Readings, Materials and Equipment

### *Main Textbook:*

Hamilton, J. D., (1994), *Time Series Analysis*, Princeton University Press.

### *Recommended Reference for Application Interests:*

Enders, W., (2004), *Applied Econometric Time Series*, Wiley.

In addition to these, statistical packages will be used throughout the class, which can be approached through the VUW students accounts.

## Assessment Requirements

### *Assignments*

There are two sorts of assignments. The first is optional and the second is required. The optional assignments are the main ingredients for the required assignment, the test, and the final exam, though not required. You may guess it right that the cumulative knowledge amounts from the optional assignments are roughly equal or slightly less than the knowledge for the required assignment. You may also turn in the optional assignments for feedback, though not required. It is fine to make a group to fulfil the optional assignments, and submit them with a group name. The group hand-in for the required assignment is not allowed in general, though discussions are encouraged. Also, late submission of the assignments attract ten percent penalty per day.

### *Examinations*

There are two examinations. The first is the test, and the second is the final. The test will be held in the seventh week at a time to be announced. The final exam will be taken in the place and at the time announced by the university authority.

### *Assessment*

Assessment will be made by the following formula.

$$FM = \max[0.2 \text{Asg} + 0.4 \text{Tst} + 0.4 \text{Fin}, 0.5\text{Tst} + 0.5 \text{Fin}],$$

where  $FM$  = final mark,  $\text{Asg}$  = assignments,  $\text{Tst}$  = test and  $\text{Fin}$  = final exam.

## **Mandatory Course Requirements**

The mandatory requirement for course is assignments, test and examination.

## **Communication of Additional Information**

The course web-page is on the BLACKBOARD. Additional information and course announcements will be conveyed via the course web-page.

## **Faculty of Commerce and Administration Offices**

### Railway West Wing (RWW) - FCA Student Administration Office

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications.

### Easterfield (EA) - FCA/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office, will be open from 9:00 am to 5:00 pm during Trimester 2, offers the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

Please note:

There will be a Student Administration Adviser, from the RWW office, based in EA005 from Monday 27 June to Friday 1 July (9:00 am to 5:00 pm) and from Monday 4 July to Friday 22 July (11:00 am to 1:00 pm).

## **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

## **Student Conduct and Staff Conduct**

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator

and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at:

[www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct).

The policy on Staff Conduct can be found on the VUW website at:

[www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct).

### **Academic Grievances**

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

[www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances).

### **Academic Integrity and Plagiarism**

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

*'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.*

### ***Plagiarism is not worth the risk.***

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct ([www.vuw.ac.nz/policy/studentconduct](http://www.vuw.ac.nz/policy/studentconduct)) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning

- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

*Find out more about plagiarism and how to avoid it, on the University's website at:*

*[www.vuw.ac.nz/home/studying/plagiarism.html](http://www.vuw.ac.nz/home/studying/plagiarism.html).*

## **Students with Disabilities**

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz). The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

## **Student Support**

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at [www.vuw.ac.nz/st\\_services/](http://www.vuw.ac.nz/st_services/) or email [student-services@vuw.ac.nz](mailto:student-services@vuw.ac.nz).

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email [education@vuwsa.org.nz](mailto:education@vuwsa.org.nz).

## **Maori and Pacific Mentoring programme (Manaaki Pihipihinga)**

This is a free programme of mentoring for Maori and Pacific students doing first year courses within the Faculty of Commerce and Administration. Weekly one hour mentoring sessions: drafting and editing assignments/discussing any questions that you might have from tutorials or lectures and going over every aspect of essay writing, either in small group sessions or on a one-to-one basis.

This includes:

- A computer suite hooked up to cyber commons for students to use to produce their assignments.
- Regular skill-based workshops with a learning adviser from Student Learning Support Services.
- Networking with other Maori and Pacific support groups throughout the university.

For more information please contact:

Melissa Dunlop, Programme Coordinator  
Ph: 463 6015 or Email: [Maori-Pacific-Mentoring@vuw.ac.nz](mailto:Maori-Pacific-Mentoring@vuw.ac.nz)