

School of Economics and Finance

ECON 409 ADVANCED ECONOMETRICS B

Trimester Two 2006

COURSE OUTLINE

Contact Details

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|---------------|--------------------------|------------------|--|
| Coordinator | Dr Jin Seo Cho RH303 | Email: Phone: | JinSeo.Cho@vuw.ac.nz 463-6149 |
| Lecturer | Dr John Randal RH 308 | Email: Phone: | John.Randal@vuw.ac.nz 463-5558 |
| Administrator | Suzanne Freear RH 327 | Email: Phone: | Suzanne.freear@vuw.ac.nz 463-5380 |

Class Times and Room Numbers

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|-----------|-----------------|-----------|-------------------------------------|
| Lectures | 09.30 – 11.20am | Wednesday | RWW 315 |
| Tutorials | 11.30 – 12.20pm | Wednesday | Week 1-6 RWW102 Week 7-12 RWW315 |

Course Objectives

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

Each three-hour class will be separated into two sections. The first two hours will concentrate on theory and the last one-hour class will be used for the data manipulation together with numerical simulations. The last one-hour class may also be used to make up for theory materials in case they cannot be covered as scheduled. Students are not required to use any specific statistical package.

The course content is intended to provide students with a fundamental knowledge of modern time series econometrics and to motivate more curiosity on further research issues.

Course Content

| | | |
|-----------------|--------------------------------------|---|
| Time Allocation | First six weeks | Second six weeks |
| Lecturer | John Randal | Jin Seo Cho |
| | Stationary ARMA process | Review of Asymptotic Theory |
| | Forecasting | Deterministic Trend Process |
| | Maximum Likelihood Estimation | Unit Root Process (Assignment) |
| | Vector Autoregression | Spurious Regress |
| | Heteroskedasticity (if time permits) | Cointegration (Assignment) |

Expected Workload

For students who have followed the normal prerequisites at VUW, 13 hours per week should be the weekly average workload, which includes class time but not consultation times at office hours. From prior experience, nevertheless, students can reduce workloads substantially by participating in class activities vigorously and not by accumulating them to the end of the trimester.

Group Work

Group work is not allowed in this course. Students are encouraged to discuss course and assignment materials with classmates. This aspect needs to be clearly understood by students as this encouragement often results in the allegation of plagiarism. The required assessment components given below must be completed by student's own ideas.

Readings

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 books, statistical packages will be used throughout the class which can be approached through the VUW student accounts.

Materials and Equipment

A calculator will occasionally be useful.

Assignments

There are two types of assignment: those that contribute to the internal assessment mark, and those that do not. All of John's will contribute, while only two of Jin Seo's will contribute. Jin Seo's other assignments will build towards the assessed ones, and feedback will still be given on them if submitted. Late submission of the assignments will incur a 10% per day penalty.

Examinations

A test will be held in the seventh week at a time to be announced in the class.

The examination will be held between 19th October and 11 November.

Assessment Requirements

Assessments will be made by the following formula.

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

FM = final mark, Asg = assignments, Tst = test and Fin = final exam.

Penalties

Late submission of assignments will incur a 10 per cent per day penalty.

Communication of Additional Information

The course web-page is on 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 and Academic Services Office

The Faculty's Student and Academic Services 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. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

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

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education 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 is available for the following:

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

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student 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 are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at 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.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in 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 at 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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as 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, 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 (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs 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 (tel. (04) 463 6983 or (04) 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Māori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Māori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@vuw.ac.nz