

School of Economics and Finance

QUAN 203 ECONOMETRIC THEORY FOR ECONOMICS AND FINANCE

Trimester 2 2007

COURSE OUTLINE

Contact Details

- John Randal, RH308, phone 463-5558 (coordinator), email john.randal@vuw.ac.nz
- Pian Chen, RH331, phone TBA, email pian.chen@vuw.ac.nz

Class times

- Lectures: Monday, Tuesday and Friday, 11:30-12:20, GBLT4
- Tutorial: One hour from Tues/Fri 12:40-14:30, RWW129

Course Objectives

We aim to develop essential background econometric theory (including mathematics and statistics) for progression into third year econometrics, and honours in econometrics, economics, or finance. Assessment will test students' knowledge and appreciation of these key concepts.

Course Content

Below is a tentative schedule for the course. Changes to the schedule will be advised via Blackboard. The main goal of the course is to enable students to be more comfortable with common mathematical and statistical ideas for further study in economics, finance, and econometrics. We intend to achieve this goal by covering the following topics:

Week	Topic
1	Introduction to probability theory
2	Discrete random variables and expectation
3	Continuous random variables and expectation
4	Expectation of functions of random variables
5	Multivariate distributions
6	Conditional random variables and expectation
<i>Mid-trimester break (2 weeks)</i>	
7	Matrix algebra
8	Ordinary least squares regression (OLS)
9	OLS cntd
10	Method of Moments (MM)
11	MM cntd and Maximum Likelihood Estimation (MLE)
12	MLE cntd and the GMM framework

Expected Workload

A 22 point course has an expected total workload of 220 hours. Deducting the 36 lecture hours, and 11 tutorial hours, this leaves 173 hours. From this you might allocate 20 in preparation for the exam, and 10 in preparation for the term test, leaving 143. Spread over 11 weeks (weeks 2 to 12), this leaves 13 hours per week.

A suggested way of allocating this time is to spend two hours preparing for each lecture (by reviewing old material and the published lecture notes), two hours reviewing the lecture after its delivery, two hours preparing for the tutorial by attempting the problems, and the remaining time preparing the weekly assignment for submission.

Group Work

There will be no group work for this course. All submitted assignment material must be the author's own work, and is subject to the university's Statute on Student Conduct, which in particular, forbids plagiarism.

Readings

There are no set texts for this course, and instead, lecture notes will be provided via Blackboard. However, there are many textbooks on mathematical statistics in the library which do cover relevant material. Suggestions of good sources will be provided as the course progresses.

Materials and Equipment

A calculator will be required for completion of this course. Any calculator used for the prerequisites of this course will be appropriate.

Assessment Requirements

Your final grade for the course will be determined by a weighted average of three components:

- regular assignments, which will be worth a maximum of 15% of your course grade
- a terms test, to be held on Wednesday 5 September, 6:30-8:00pm, worth 20% of your final grade
- the final examination, in the period 19 October to 11 November, worth a minimum of 65% and a maximum of 80% of your final grade

Submission of the assignments is not mandatory, but is highly recommended.

Your final grade will be

$$0.2(\text{Test}) + \max\{0.8(\text{Final}); 0.15(\text{Assignment}) + 0.65(\text{Final})\}$$

where the three component marks are in percentage terms.

Penalties

Late assignments will not be marked (and a mark of zero awarded), unless an extension has been negotiated with the course coordinator in advance of the deadline.

Mandatory Course Requirements

Attendance at the term test is a mandatory course requirement.

Communication of Additional Information

Course notices will generally be relayed in class, and put on Blackboard.

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 or go to <http://www.vuw.ac.nz/policy>.

For information on the following topics, go to the Faculty's website <http://www.vuw.ac.nz/fca>

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, phone (04) 463 5233 ext. 8977 or email manaaki-pihipihinga-programme@vuw.ac.nz. To contact the Pacific Support Coordinator, phone (04) 463 5842 or email pacific-support-coord@vuw.ac.nz.