

School of Economics and Finance

ECON408 ADVANCED ECONOMETRICS A

Trimester One 2008

COURSE OUTLINE

Contact Details

Course coordinator: Dr. Pian Chen
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Course lecturer: Dr. Jin Seo Cho
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Class Times and Room Numbers

Class times: 9:30AM to 12:20PM Tuesday
Room: RWW126
Midterm exam time: TBA
Final exam time: Exam day announced by the university authority

Course Objectives

The main goal of Econ408 is studying advanced econometric theory and methods for analyzing both regular and irregular microeconomic data. Econometric models may have linear or nonlinear structures suggested by economic theory. Alternatively, economic theory may provide little guidance for parametric model building and we need to analyze data nonparametrically. Various econometric models are truly fascinating and fully reveal the diversity of the real economic world.

We shall start from a linear regression model with regular data and extend our discussion bit by bit to more complicated models and irregular data. At the end of this course, a unified theoretic framework can be established to cover most of the classic econometric models used for analyzing microeconomic data. These classic econometric tools will form a solid foundation for students to further study econometric models for macroeconomic data, such as time-series models in Econ409. Students, therefore, are highly recommended paying attention to the phase progress of Econ408 before taking further advanced econometric classes.

This course will have two exams (midterm and final) and four assignments. After completing the discussion of each main content given below, assignment will be distributed. Students' effort level to the course shall be proportional to the outcomes of the exams and assignments.

Course Content

Econ408 has two basic structures, econometric theory and applications. A three-hour class may be divided into two parts: the first part may include econometric methods and related asymptotic theorems, and the second part may provide applications using either simulated or real data. An econometric software called GAUSS will be used for this course and computer lab times will be announced by the course lecturers.

We proceed our class according to the following schedule.

1 st to 2 nd Week:	Estimation and Inference of Linear Models by OLS method
3 th to 5 th Week:	Estiamtion and Inference of Nonlinear Models by NLS method
6 th Week:	Introduction to Nonparametric Density Estimation and Regression
7 th to 9 th Week:	O(N)LS of Irregular Linear and/or Nonlinear Models
10 th to 12 th Week:	Quasi-Maximum-Likelihood and Generalized Method of Momments Estimation and Inference

Expected Workload

For students who have fulfilled the normal prerequisites at VUW, about 13 hours per week should be weekly average workload, which includes class times. From the prior experiences, students can reduce workloads substantially by participating in class activities vigorously and not by accumulating them at the end of trimester.

Group Work

Students are encouraged to discuss class notes with classmates and form study groups. But each student must hand in his/her own independent assignment.

Readings

The required textbook is as follows:

Davidson and Mackinnon, Econometric Theory and Methods, Oxford University Press (New York), 2003 with a 2004 copyright.

Materials and Equipment

A calculator may be needed for the midterm and final examinations. For data examination, we use the software GAUSS, which is avialble in the computer labs.

Assessment Requirements

Assessment will be made by the following formula:

$$\text{Final Mark} = \max[0.2 \text{ Asgn} + 0.4 \text{ Midterm} + 0.4 \text{ Final}, 0.5 \text{ Midterm} + 0.5 \text{ Final}],$$

where Asgn = Assignment, Midterm = Midterm exam, and Final = Final Exam.

Each assignemnt will be distributed during the discussion of each topic given above, and students are supposed to have two weeks to complete the assignments otherwise stated in the assignments.

Penalties

Late submission of assignments will be not be accepted. Identical assignments will receive no credit, and rules on plagiarism of the University will be applied. Please see below.

Mandatory Course Requirements

There are no mandatory requirements for this course.

Communication of Additional Information

Further information on Econ408 will be distributed via Blackboard. Students are highly recommended checking whether or not be able to approach Blackboard as soon as possible. In case the course homepage of Econ408 is not available in Blackboard, students must contact the course co-ordinator.

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 on the ground floor (EA005). This counter is the first point of contact for :

- 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.

Notice of Turnitin Use

(All courses which make use of Turnitin must inform students prior to collection of work for assessment. The following paragraph (modified as necessary for particular circumstances) should appear in course outlines.)

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <<http://www.turnitin.com>>. Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism. *At the discretion of the School, handwritten work may be copy typed by the School and subject to checking by Turnitin.* You are strongly advised to check with your tutor or the course coordinator if you are uncertain about how to use and cite material from other sources. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

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 www.victoria.ac.nz/home/about/policy/students.aspx

For information on the following topics, go to the Faculty's website www.victoria.ac.nz/fca under Important Information for Students:

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

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 students 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 penalized 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: www.victoria.ac.nz/home/studying/plagiarism.html

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, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 6015. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.