ECON 366 A01
Econometrics: Part II
CRN 21040

Winter Session: Second Term 2020 01

Instructor: Xuan (Sheri) Liu
Office: BEC 308
E-Mail: sheriliu@uvic.ca
Office Hours: Mondays 11:30am – 12:30pm

Course Content

Overview: This is the second course in the Econ365/366 sequence. Our focus will mostly be on the classical linear regression model where we will examine specification issues and generalization and relaxation of classical assumptions. We will also consider the model where the dependent variable is a binary qualitative variable. The aim of both Econ365 and Econ366 is to introduce you to the important ideas associated with elementary econometrics. This introduction should provide you with a solid background for undertaking basic empirical research and also prepare you for more advanced courses in econometrics.

Prerequisites: ECON365. Given the theoretical nature of the material, and our extensive use of matrix algebra, it is highly recommended that you undertake this course if your grade of Econ 365 is at least a B.

Lectures: Monday & Thursday 10am–11:20am in ELL 061.

Coming to lectures is vital for your learning. Some reasons include: I will stress key ideas and illustrate material using the blackboard, which will help you in your learning, revision and undertaking assignments; lectures aid you in honing your concentration skills, which will serve you in your studying and career; material is presented in lectures that is not on the posted lecture notes; and you get to hear tips about undertaking the work for the assignments and studying for tests. Research shows that not attending lectures is a strong predictor of a poor grade. You are responsible for your learning and coming to class is part of that responsibility.

Laboratory Classes:
B01: Wednesday 4:30pm-5:20pm (BEC180);
B02: Wednesday 5:30pm-6:20pm (BEC180).

Going to labs will crucially assist your understanding by applying the material considered in class. It is strongly recommended to read through the lab exercise PRIOR to the lab class – this takes only a few moments but makes a surprising difference to your learning. Labs begin the second week of the term.

We will be using the EViews and R for applications.

Textbook

The optional text for this course is:
A copy of this book is “On Reserve” at the main library.

If you wish to refer to additional texts then you may find the following books useful, but please note that the notation in these books may not conform with that given in Vogelvang and in lectures, nor may the material covered perfectly overlap.

Griffiths, W.E., R.C. Hill and G.G. Judge, 1993, Learning and Practicing Econometrics, New York:
Wiley (HB139 G75).


**Course Outline**

**Topic 1:** Testing Assumptions & Model Stability (Vogelvang, Chapter 5, 6 and 7)

**Topic 2:** Some Further Topics with Estimation (Vogelvang, Chapter 7)

**Topic 3:** Prediction (Vogelvang, Chapter 7)

**Topic 4:** Estimation with More General Disturbance term Assumptions (Vogelvang, Chapter 8 Omitted: Sec. 8.8 on ARCH & GARCH)

**Topic 5:** Models with Endogenous Explanatory Variables (Vogelvang, Chapter 9)

**Topic 6:** Qualitative Dependent Variables (Vogelvang, Chapter 11)

Note: If we are constrained by time, we may have to omit certain parts.

**Evaluation and Grading**

Your grade will be determined by lab attendance, assignments, in-class quizzes, a term test and a final examination. The final grade is determined as follows:

- **Assignments (4):** 30% (four assignments submitted, the best three marks kept, each worth 10%)
- **Lab Exercises (10):** 5%
- **Lab Exam (1):** 10%
- **Quiz (16-20):** 10%
  - Midterm and final exams (2): 45% (One midterm and one final. Both tests will be “closed book/closed notes”; any formulae that you require will be given on the test paper. Details on coverage will be provided.)

Some relevant information follows:

**Assignments (4):** Weight = 30%. Due on **Thursday January 23, Thursday February 13, Thursday March 12, Thursday April 2.** You must complete at least 3 of the 4 assignments. If you complete all 4 assignments then I will drop your lowest mark when forming your grade; i.e., use the marks from your best 3 assignments. If you hand in less than 3 assignments, you will get 0 for the missing one(s). Each of these 3 assignments will be given a weight of 10% towards your final grade. The assignments will provide you further opportunities to engage with the course material. They will also help you understand the material better as you try to apply the knowledge obtained from lectures/labs/textbook to specific contexts.

**Notes:**
- While I encourage group learning, your answers to the assignment questions, including the computer outputs, must be your own independent work.
- Put your assignment in the Econ 366 box outside the Main Economics Office by **4 pm** on the due date. In order to ensure that your grade gets properly recorded, write your name, student number, laboratory section number and course number on the front page of your assignment.
- **No late assignment will be accepted, nor will any extensions be granted.** If you miss an assignment due to medical reasons, please give me an appropriate medical certificate at the beginning of class or during my office time. The weight of the uncompleted assignment will be reassigned equally to the other assignments.

**Lab Exercises:** Weight = 5%. We are going to have ten labs. For each lab, the corresponding lab exercise will be open on CourseSpaces for two days, i.e., the lab exercise becomes available at 12:00 pm on Tuesday and closes at 12:00 pm on Thursday of that week. No extensions will be granted. Each lab exercise will be marked and be given a weight of 0.5% towards your final grade. If
you miss any lab exercises, you will get 0 for the missing one(s).

**Lab Exam:** Weight = 10%. The exam is scheduled during lab sessions on **Wednesday March 18**. No supplementary test will be arranged for the exam. Should you miss this exam, the weight will be reassigned to the final exam.

**Midterm and final exams:** All material covered in class (lecture notes and blackboard extensions to the notes, along with class verbal discussions), assignments, pop quizzes and laboratories are examinable.

- **Midterm Test:** Weight = 18%. The term test will be held during class on **Thursday March 5**. Should you miss this test due to medical reasons, please contact me by 11:59 pm on March 6 and provide proper medical documentation in class or during my office time – a supplementary test will be arranged.

- **Final Examination:** Weight = 27%. The final exam will be comprehensive and will be a three-hour exam. Time and venue will be decided by the Examinations branch.

**In-class Quizzes:** Weight = 10% max. In most classes, we are going to have a low weight quiz. The main objective of these quizzes is to encourage you to keep up with the current class material – this will significantly help you with your basic understanding of terms and concepts. Quizzes cannot be made up later by absent students. And you are responsible for bringing a device to access the CourseSpaces to answer questions. No excuses for not bringing a device will be accepted.

There will be 16-20 quizzes. I will use the marks from your best 12 quizzes. If you hand in less than 12 quizzes, you will get 0 for the missing one(s).

**Letter Grades:** All assessment in this course will be assigned a numerical score. Each will then be appropriately weighted to give a total score for the course out of a possible 100%. The following will be used.

<table>
<thead>
<tr>
<th>Passing Grades</th>
<th>Grade Point Value</th>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>A+</td>
<td>9</td>
<td>90-100</td>
<td>Exceptional, outstanding and excellent performance. Normally achieved by a minority of students. These grades indicate a student who is self-initiating, exceeds expectations and has an insightful grasp of the subject matter.</td>
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<tr>
<td>A</td>
<td>8</td>
<td>85-89</td>
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<tr>
<td>A-</td>
<td>7</td>
<td>80-84</td>
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<tr>
<td>B+</td>
<td>6</td>
<td>77-79</td>
<td>Very good, good and solid performance. Normally achieved by the largest number of students. These grades indicate a good grasp of the subject matter or excellent grasp in one or more areas balanced with satisfactory grasp in other areas.</td>
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<tr>
<td>B</td>
<td>5</td>
<td>73-76</td>
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<tr>
<td>B-</td>
<td>4</td>
<td>70-72</td>
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<tr>
<td>C+</td>
<td>3</td>
<td>65-69</td>
<td>Satisfactory, or minimally satisfactory. These grades indicate a satisfactory performance and knowledge of the subject matter.</td>
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<tr>
<td>C</td>
<td>2</td>
<td>60-64</td>
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<tr>
<td>D</td>
<td>1</td>
<td>50-59</td>
<td>Marginal performance. A student receiving this grade demonstrated a superficial grasp of the subject matter.</td>
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<tr>
<td>F</td>
<td>0</td>
<td>0-49</td>
<td>Unsatisfactory performance. Wrote final exam and completed course requirements; no supplemental.</td>
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<tr>
<td>N</td>
<td>0</td>
<td>0-49</td>
<td>Did not write final examination or complete course requirements by the end of term or session; no supplemental.</td>
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</table>

Note that E grades will not be assigned. Students should review the University's more detailed summary of grading.
CourseSpaces

CourseSpaces is used extensively for the course. All students are expected to be fully functional with the system. All announcements will be posted in CourseSpaces. Students are advised to check it frequently.

Class material: A copy of the class overheads will be available via CourseSpaces. Please note that the lecture notes online are only outlines of the actual lectures. You will also be able to download the assignments, lab exercises, tests and their solutions from CourseSpaces when appropriate.

Exercises and Worksheets: Practice exercises and worksheets for you to complete, along with suggested solutions, will be regularly posted on CourseSpaces. To be successful in Econ 366 you should be able to readily undertake these exercises and complete the worksheets. This material is examinable.

E-mail correspondence

Emails should be limited to critical matters, such as the inability to attend class, an exam, or prolonged illness. Emails should include the course name and number in the subject line and conclude with a signature that includes your full name and V#.

Questions on course material should be asked during office hours or in class. I strongly encourage you to ask any clarifying questions about the syllabus and other matters at the beginning of class. For more in-depth discussions (such as on course material) please plan to meet with me during my office time. Conversations are far better in person rather than via email, as it allows us to get to know each other better, enabling me to better appreciate your concerns.

Course Experience Survey (CES)

I value your feedback on this course. Towards the end of the term, you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to the CES log-in. You will use your UVic NetLink ID to access the survey, which can be completed on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

- What strengths did your instructor demonstrate that helped you learn in this course?
- Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
- Please provide specific suggestions as to how this course could be improved.

Course Policies

This course adheres to the Undergraduate Course Policies of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Students with a disability
- Term assignments and debarment from examinations
The following policies are explicitly included because of their importance.

**Examinations**

Attendance at all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. In the event of a missed final examination, students are advised to follow the procedures outlined in the University Calendar.

All assignments and exams are critical parts of your final grade. If you do not hand in your assignments or do not take midterm exams, you will get 0 for those parts of your final grade.

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

**Waitlist Policies**

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not show up in the first seven calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

**Academic Integrity**

Academic integrity requires a commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the Policy on Academic Integrity in the University Calendar, is subject to penalty by the University.

Review What is Plagiarism for the definition of plagiarism. Note: Submitted work may be checked using plagiarism detection software.

**University Policy on Human Rights, Equity and Fairness**

The University is committed to promoting, providing and protecting a positive, supportive and safe learning and working environment for all its members.

See General University Policies

**Sexualized Violence Prevention & Response**

UVic takes sexualized violence seriously, and has raised the bar for what is considered acceptable behaviour. Students are encouraged to learn more about how the university defines sexualized violence and its overall approach by visiting www.uvic.ca/svp. If you or someone you know has been impacted by sexualized violence and needs information, advice, and/or support please contact the sexualized violence resource office in Equity and Human Rights (EQHR). Contact svpcoordinator@uvic.ca.
Accessibility & Health Resources

Centre for Accessible Learning
Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, you are free to approach me; however, you must register with the Centre for Accessible Learning (CAL) for formal arrangements to be made. The CAL staff are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

Health Services - University Health Services (UHS) provides a full-service primary health clinic for students and coordinates healthy student and campus initiatives.

Counselling Services - Counselling Services can help you make the most of your university experience. They offer free professional, confidential, inclusive support to currently registered UVic students.

Elders’ Voices - The Office of Indigenous Academic and Community Engagement (IACE) has the privilege of assembling a group of Elders from local communities to guide students, staff, faculty and administration in Indigenous ways of knowing and being.

Repeating Courses
Be aware of the policy regarding the repeating of courses; see University Calendar.
In order to request permission to attempt this course for the third time, you must follow the instructions provided under the Repeating Courses policy on the Economics website. Failure to obtain permission will result in deregistration from the course.

Draft Schedule
Below is the draft schedule for this course, which may alter given progress through the term. Any changes will be discussed in class.

<table>
<thead>
<tr>
<th>MONDAY DATE</th>
<th>LECTURE WEEK</th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
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<td>Jan 6</td>
<td>1</td>
<td>JAN 6 LEC1 FIRST DAY OF CLASSES</td>
<td>JAN 7</td>
<td>JAN 8</td>
<td>JAN 9 LEC2</td>
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<td>2</td>
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<td>JAN 14</td>
<td>JAN 15 LAB 1</td>
<td>JAN 16 LEC4 ASS1 POSTED</td>
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<td>JAN 20 LEC5</td>
<td>JAN 21</td>
<td>JAN 22 LAB 2</td>
<td>JAN 23 LEC6 ASS1 DUE</td>
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<td>JAN 27 LEC7</td>
<td>JAN 28</td>
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<td>JAN 30 LEC8</td>
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<td>FEB 17 FAMILY DAY READING BREAK</td>
<td>FEB 18 READING BREAK</td>
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<td>FEB 25</td>
<td>FEB 26 LAB 6</td>
<td>FEB 27 LEC14</td>
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