

**ECONOMICS 3F03 - SECTION Evening (C01)**  
**Fall 2011**  
**Class: Tues. 7-10pm in KTH-105**  
**Office Hours: Tues 4-5pm, 5:30-6:30pm and by appt**

**Methods of Inquiry in Economics**  
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### **Course Objective**

This course will help students to develop a variety of research skills, to analyze critically the research of others, and to improve presentation skills. Research is the systematic investigation of a particular question or problem. We will focus on a variety of approaches to empirical economic research, the most important of which are the following: observational-correlational studies in which the analyst uses data routinely collected by organizations such as Statistics Canada; social and field experiments which attempt to approximate laboratory conditions in a real world setting; economic laboratory experiments in which subjects deal with economic situations or problems in an artificial setting (usually a series of linked computer stations) created by the analyst; and natural experiments in which the analyst exploits changes in the real world, often in government policy, to uncover causal relationships usually using observational data.

**Text** Custom Courseware for Economics 3F03

### **Evaluation**

There are no tests and there is no final examination. Evaluation is based on a series of assignments and classroom participation, which is expected in all classes. Written assignments develop the students' research skills and build towards the research review paper that is the final and most important piece of work. Participation will be graded based on team and individual performance. The following weights will be used to determine the final grade for the course.

Library assignment #1: Econlit, bibliographic indices, citation indices	2%
Library assignment #2: Internet Searches	2%
Econometrics Assignment #1	2%
Econometrics Assignment #2	2%
Proposal of topic and articles for student's research review paper	4%
Team A classroom presentation of assigned research paper	12%
Team B classroom discussion of assigned research paper	8%
Individual class participation (other than Team A and B)	13%
Detailed outline and summary of student's research review paper (5 pages)	10%
Class presentation of student's research review paper	10%
Final submission, student's research review paper (20 pages)	35%

All assignments are due at the start of class on the relevant date. All assignments should be submitted on paper, and in some cases an electronic copy should also be submitted to "turnitin" (see below). The deadline for submission of each assignment is given in the schedule below. Failure to meet these deadlines will be penalized by 10 percent per business day (Friday to Monday is one business day).

## **Grading Standards**

Research paper proposal, detailed summary, class presentation, and final paper. See handout.

Team Presentations. See below.

General class participation. Grading categories are the following

No unexcused absences with frequent good comments/questions: 70-100% of marks

No unexcused absences with frequent weak comments/questions: 50-70% of marks

No unexcused absences with few comments/questions: 25-50% of marks

Each unexcused absence reduces your participation grade (the one you would have received with no unexcused absences) by 1 of the 13 marks allocated above for class participation (i.e., 1% of your final grade). For example, if you would have received 60% with no unexcused absences and have 2 such absences, then your participation grade will be  $(0.6 * 13\%) - 2 = 5.8\%$ .

A “good” comment or question reflects knowledge of, and thought about, the paper and subject under discussion.

I will be distributing participation grades half-way through the semester and at the end.

An open laptop is counted as an absence. Please leave your computers closed.

I take attendance at the start of class. If you arrive late, it is your responsibility to make your presence known at the end of class; otherwise you will be counted as absent. Non-trivial or frequent late arrivals will be counted as partial absences. I will e-mail when I have recorded an absence.

Please use the McMaster Student Absence Form (MSAF -- <http://www.mcmaster.ca/msaf>) if you have an unavoidable absence. Check the web page above for important changes in the policy. Especially, note among others the following recent changes: the maximum value of the missed work for which the MSAF can be used will decrease from 49% to 29%; the maximum number of uses will be reduced from 2 per term to 1 per term; and “Personal Reasons” will no longer be a valid reason for using the MSAF.

## **On Line Elements**

I will be using Avenue to Learn to post course announcements, files that you can download, and your grades. In this course we will be using both Avenue to Learn and e-mail. Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

## **E-Mail Policy**

In keeping with official policy of the Faculty of Social Sciences, I will respond only to student e-mails sent from a McMaster account. This is for your protection. For Email Forwarding in MUGSI, see <http://www.mcmaster.ca/uts/support/email/emailforward.html>.

## **Writing Help**

McMaster students now have free access to an on-line program to help with writing. The user copies and pastes text into the program and receives notification of errors and suggestions for corrections. This program is called *Grammarly* (formerly *Sentence Works*). To register as a user, go to <http://www.grammarly.com/edu/> and click on “Sign Up” at the top of the page. I encourage you to try this and give me feedback.

The Writing Clinic, located in the Centre for Student Development (basement of the University Centre), exists to help students with writing problems. You can have a one-on-one session with a Writing Clinic Peer by making an appointment. See <http://csd.mcmaster.ca/academic/>. Note that your assignments will be graded on economic content, writing style and format.

## **Academic Ethics**

The *Senate Policy Statements*, which were distributed at registration (and which are available in the Senate Office in Gilmour Hall), contain the *Senate Statement on Academic Ethics*, to which your attention is drawn. The statement explains the expectations that McMaster University has of its scholars. It is the responsibility of each student to adhere to the statement. Breaches of academic ethics fall into two categories:

*disregard for the norms of scholarly integrity, without necessarily intending to deceive;*  
and  
*academic dishonesty*, which is an intentional disregard for the norms of scholarly integrity.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various kinds of academic dishonesty please refer to the Academic Integrity Policy, specifically Appendix 3, located at:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf>.

The following forms of academic dishonesty are especially relevant to this course:

Failure to reference in quotation marks a direct quote from another source.

Plagiarism - the submission of work that is not one's own or for which other credit has been obtained.

In this course, we will be using a web-based service (Turnitin.com) to reveal plagiarism. Students will be expected to submit their work both on paper to the instructor, and electronically

to Turnitin so that it can be checked for academic dishonesty. Students who do not wish to submit their work to Turnitin must still submit a copy on paper to the instructor. No penalty will be assigned to a student who does not submit work to Turnitin. All submitted work is subject to the normal verification that standards of academic integrity have been upheld, (e.g., on-line search, etc.). To see the Turnitin.com Policy, please go to [www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity).

### Course Modification Warning

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course website (course Avenue to Learn site) weekly during the term and to note any changes.

Schedule – the topics in September and early October prior to the commencement of the Team Presentations may flow partly into adjacent weeks. However, barring something quite unusual the presentation dates will not be altered.

<b>Class Date</b>	<b>Material Due at start of class (except final paper)</b>	<b>Topic for 1<sup>st</sup> half of class</b>	<b>Topic for 2<sup>nd</sup> half of class</b>
13 Sept.		Organizational discussion/ Library Assignments/ Reasoning	Reasoning/Correlation & Causality
20 Sept.	Library Assignment #1	Class meets in KTH/B123	Correlation & Causality
27 Sept.	Library Assignment #2	Social Experiments	Natural Experiments
4 Oct.	Econometrics Assignment #1	Natural Experiments	Laboratory and Field Experiments
11 Oct.	Econometrics Assignment #2, and Paper proposal	Presentations /Review of Econometrics	Presentations /Review of Econometrics
18 Oct.		Review of Econometrics	Team Presentation
25 Oct.		Team Presentation	Team Presentation
1 Nov.	Paper Summary	Team Presentation	Team Presentation Midterm participation grade & student evaluation
8 Nov.		Team Presentation	Individual Presentations
15 Nov.		Individual Presentations	Individual Presentations
22 Nov.		Individual Presentations	Individual Presentations
29 Nov.		Individual Presentations	Individual Presentations
	Final Paper	Due Wednesday Dec 14 4:30 pm	Both hard copy and e- version

Students should read each of the assigned readings below IN ADVANCE of the class with the same topic as listed above. Students should be prepared to discuss the paper(s) for that week and also those read for previous classes – that is, the material is cumulative.

Topic	Readings
Reasoning	“Statistics and Logic,” Chapter 1 from Lucy Horowitz and Lou Ferleger, <i>Statistics for Social Change</i> . Black Rose Books, 1988.
Correlation vs. Causation	“Controlled Experiment,” Chapter 1 from David Freedman, Robert Pisani, Roger Purves, <i>Statistics</i> . Norton, Third Edition, 1998  “Observational Studies,” Chapter 1 from P. Rosenbaum, <i>Observational Studies</i> . Springer, 2nd ed. 2002, pp. 1-10.
Social Experiments	“The Case for Randomized Field Trials in Economic and Policy Research,” Gary Burtless, <i>Journal of Economic Perspectives</i> , 1995, 9, 2.
Natural Experiments	“Natural and Quasi-Experiments in Economics,” Bruce Meyer, <i>Journal of Business and Economics Statistics</i> 13(2): 151-161 (1995)
Laboratory Experiments	“Laboratory Economics: Of Rats and Men.” Chapter 9 from T. Sandler, <i>Economic Concepts for the Social Sciences</i> , Cambridge University Press, 2002.
Field Experiments	“Field Experiments: An Introduction.” Jeffrey Carpenter, Glenn Harrison and John List in Jeffrey Carpenter, Glenn Harrison and John List (eds.). <i>Field Experiments in Economic</i> , JAI Press, Research in Experimental Economics, vol. 10, 2004. S

## Team Presentations

### Schedule of Team Presentations

18 Oct.	“Do Stricter Penalties Deter Drinking and Driving? An Empirical Investigation of Canadian Impaired Driving Laws,” Anindya Sen, <i>Canadian Journal of Economics</i> , 2001, 34(1): 149-164.
25 Oct.	“The Effect of De-listing Publicly Funded Health Care Services.” Mark Stabile and Courtney Ward, in <i>Health Services Restructuring in Canada: New Evidence and New Directions</i> , John Deutsch Institute for the Study of Economic Policy, Beach, Chaykowski, R., Shortt, S., St-Hilaire, F. and Sweetman, A. (eds.), McGill/Queen’s University Press, Kingston, 2006, pp.83-110.
25 Oct.	"Who uses RESPs and why," Kevin Milligan in <i>Higher Education in Canada</i> , Charles M. Beach, Robin W. Boadway and R. Marvin McInnis (eds.), McGill/Queen's University Press, 2005. pp. 467-494.
25 Oct.	“In and out of the labour market: long-term income consequences of child-related interruptions to women's paid work”, Shelley Phipps, Peter Burton, and Lynn Lethbridge, <i>Canadian Journal of Economics</i> , 2001, 34(2): 411-429.

1 Nov.	“The Impact of the Mariel Boatlift on the Miami Labor Market,” David Card, <i>Industrial and Labor Relations Review</i> , 1990, 43: 245-57.
1 Nov.	“Maternal Employment, Breast-Feeding and Health: Evidence From Maternity Leave Mandates.” Michael Baker and Kevin Milligan, <i>Journal of Health Economics</i> , 2008, 27, pp 871-887.
1 Nov.	“The Self-Sufficiency Project at 36 Months: Effects of a Financial Work Incentive on Employment and Income.” C. Michalopoulos et al. Social Research and Demonstration Corporation, 2000, Chapters 1 and 2.
8 Nov.	“Does Price Matter in Charitable Giving? Evidence from a Large-Scale Natural Field Experiment.” Dean Karlan and John List, <i>American Economic Review</i> , 2007, 97, pp 1774-1793.
8 Nov.	“Minimum Wages and Employment: A Case Study of the Fast-food Industry in New Jersey and Pennsylvania”, David Card and Alan Krueger, <i>American Economic Review</i> , 1994, 84 (2): 772-793.

### Questions for Team Presentations

All class members are expected to have read each paper before the relevant class and to participate in the discussion for the team presentations. Two groups of students present each paper; team A will describe, and then team B will analyze, each paper. Students will form into nine groups, to align with the nine papers to be presented by teams that are listed above, and each group will serve as team A once, and team B once. Each paper presentation is scheduled for 50 minutes; team A will be allocated 25 minutes, team B will be allocated 15 minutes, leaving 10 minutes for discussion.

Team A: Provides answers to the following questions:

- With what economic question(s) is the paper concerned?
- With what economic policy issues is the paper concerned?
- What are two findings from the literature that the paper cites?
- What type of data does the paper use to tests its hypotheses (observational, social experiment, laboratory experiment, field experiment)?
- What type of natural experiment, if any, are the authors using?
- What estimation methods do the authors use?
- What key results do the authors report?
- What are the policy implications of these findings?

Team B: Provides answers to the following questions:

- What are the strengths and weaknesses of these results?
- What questions do the authors leave unanswered and on the agenda for future research?
- What additions or corrections would you make to the conclusions of Team A concerning key results and policy implications?

## **Team Formation**

There are 9 papers, listed above, to be presented in a team format, so the class must divide itself into 9 groups. In the first iteration students should self-select into groups; in a second iteration the instructor may adjust the composition of some of them to, for example, make the sizes more even, allocate individuals who are not yet in groups, etc. All groups must have at least two members, and the team must have the same membership when it serves as Team A and as Team B. A list of group members that is initialled by the members of each team must be provided to the instructor by the end of class on Tuesday September 27. If you are not a member of a group by this date, you will be assigned to one by the instructor.

Shortly after the September 27 class, groups will be assigned two initial topics and dates (one as Team A and one as Team B) by the instructor. These initial assignments will be posted on Avenue to Learn. Groups will have until the end of class on October 4<sup>th</sup> to inform the instructor of any mutually agreeable trades with other groups concerning dates and topics. The only restrictions are that your group may not be Team A and Team B for the same topic, AND you cannot change the date on which a paper is presented. The final list will be posted on Avenue to Learn shortly after the October 4<sup>th</sup> class. The instructor will inform you of the manner in which individual presentation dates will be assigned.

## **Guidelines for Team Presentations**

Use PowerPoint presentation with: each slide should have 3-4 bullets with about 2 lines each

Only refer to tables and figures that all students have in their courseware.

Practice timing. It goes faster than one anticipates.

Use speaking notes. These can be inserted in your PowerPoint presentation.

If your version of Office is pre-2007, then Google “Office 2007 conversion” and download the file that permits users of earlier versions to read documents created in 2007.

## **Team Grading Standards**

Your team grade will be based on accuracy and quality of economic content as well as the effectiveness of both your slides and verbal presentation.

## **Preparing Your Team Presentation – a timeline:**

More than one week prior to the presentation: Each team contacts the professor to arrange a meeting to occur at least one week before the presentation (normally in office hours, although other arrangements can be made/may be required).

At least one week prior to presentation: Both teams, having read and discussed the article, meet with the professor to clarify understanding and discuss preliminary answers to the above questions.

By the Friday prior to the presentation (or earlier): The team sends a draft PowerPoint presentation to the instructor with the email being copied to all group members (i.e., an email with a PowerPoint presentation should be in my inbox by 5pm on the Friday prior to the Tuesday presentation, and it should be cc'd to all group members.)

At least one day prior to presentation: The instructor returns the draft PowerPoint with comments. (i.e., I will normally return the presentation by the end of the business day on the Monday prior to the Tuesday presentation.)

Adherence to these timeline instructions comprises part of the mark for the presentation.