

ECON 4F03: Methods of Inquiry in Economic

Fall 2019

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Office Hours: M 11:30-12:30pm

W 3:30-4:30pm

Lecture: M 10:30-11:20am and W 9:30-11:20am in BSB 121

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COURSE DESCRIPTION

Research is the systematic investigation of a specific question or problem. This course will help the student to develop research skills, to analyze critically the research of others, and to improve their writing and presentation skills. In this course, we will consider a variety of approaches to empirical economic research. Observational studies use data routinely collected by organizations such as Statistics Canada. Laboratory experiments evaluate economic problems in an artificial setting (usually a series of linked computer stations) created by the analyst. Social and field experiments attempt to mimic laboratory conditions in a real world setting, while in a natural experiment the analyst exploits changes in the real world, often in government policy, to uncover causal relationships using observational data. A series of lectures and discussions will develop the student's knowledge of experimental and observational methodologies. The ability to describe and assess such methodologies will be examined in a critical review paper which will focus on 3 empirical articles.

PREREQUISITES

Prerequisite(s): ECON 2G03, 2Z03 or 2X03; and 2H03; Credit or registration in ECON 3E03 (or 3WW3) or ECON 3EE3 (or 3U03), registration in Level III or Level IV of an Honours Economics program

COURSE OBJECTIVES

At the end of this course students will:

- Know how to search for research papers and journal articles.
- Know how to search for and evaluate pages from the internet.
- Be able to obtain and interpret descriptive statistics and regression models using STATA.
- Understand the following approaches to empirical economic research:
 - Observational studies
 - Laboratory experiments
 - Social experiments
 - Field experiments
 - Natural experiments
- Gain experience at presenting and evaluating the research work of others, both orally and in writing.
- Gain experience working in teams.

COURSE MATERIALS AND TEXTS

Students are expected to purchase the following book:

Normand Baillargeon, *A short course in intellectual self-defense: Find your inner Chomsky*. Seven Stories Press, 2007.

AVENUE TO LEARN

Avenue to Learn is McMaster's Learning Management System. I will be using Avenue to Learn (A2L) to post course announcements, files that you can download, and your grades. NOTE THAT ALL REQUIRED READINGS FOR THE COURSE EXCEPT THE BOOK BY BAILLARGEON WILL BE AVAILABLE TO DOWNLOAD FROM A2L; YOU ARE EXPECTED TO PURCHASE THIS BOOK.

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.

COURSE EVALUATION

1. Assignment 1 (STATA) – 5%
2. Assignment 2 (STATA) – 5%
3. Assignment 3 – 10%
4. Report 1-Proposal for critical review (2-3 pages) – 7%
5. Report 2-Detailed outline and summary of critical review paper (4-5 pages) – 10%
6. Final paper-critical review paper (12-15 pages) – 30%
7. Team A - presentation of assigned research paper (25 minutes) – 12%
8. Team B - discussion of assigned research paper (15 minutes) – 8%
9. Individual class participation (other than Team A and B) – 13%

There are no tests and no final examination. Evaluation will be based on a series of assignments and classroom participation. The written assignments develop the students' research skills and build towards the critical review of 3 scholarly articles. Presentations will be graded based on team performance. The weights above will be used to determine the final grade for the course. Deadlines are included in the course schedule found below.

GRADING STANDARDS

Proposal, summary, and final paper: see separate handout posted on A2L

Team presentations:

See pages 8-9.

Individual class participation

Grading categories are the following

- No unexcused absences with good comments/questions: 70-100% of marks
- No unexcused absences with no or weak comments/ questions: 50-70% of marks
- Each unexcused absence reduces your participation grade (the one you would have received with no unexcused absences) by 5%.

Missing a 50-minute lecture (or a fraction of it) counts as one absence.

Missing a 110-minute lecture counts as two absences.

For example, if you would have received 60% with no unexcused absences and have 3 such absences, then your participation grade will be $60\% - 3 \times 5\% = 45\%$

A “good” comment or question reflects knowledge of, and prior thought about, the paper and subject under discussion. A “weak” question does not, for example, a simple request for more information.

I take attendance at the start of class. If you arrive late, it is your responsibility to make your presence known when you arrive (not at the end of class). Otherwise you will be counted as absent.

COURSE POLICIES

Grades

Grades will be based on the McMaster University grading scale:

| MARK | GRADE |
|-------------|--------------|
| 90-100 | A+ |
| 85-90 | A |
| 80-84 | A- |
| 77-79 | B+ |
| 73-76 | B |
| 70-72 | B- |
| 67-69 | C+ |
| 63-66 | C |
| 60-62 | C- |
| 57-59 | D+ |
| 53-56 | D |
| 50-52 | D- |
| 0-49 | F |

Submission of Assignments, Reports and Final Paper

Hardcopies of all assignments, reports and final paper must be submitted in class by the stated deadlines. Also, electronic copies of report 2 and final paper are to be submitted to turnitin.com (more details below).

Late Submissions

Submission deadlines are given in the schedule below. If you submit your work late you will be penalized. Late by 24 hours or less: 10% penalty. Work submitted more than 24 hours late will not be graded and earn a grade of zero.

Absences, Missed Work, Illness (MSAF)

The only valid excuses for missed classes, presentations and late submissions are those approved by your Faculty office. Instructors will only grant relief for missed work or delayed submission of work when a McMaster Student Absence Form (MSAF) has been received. Upon reception of an MSAF, absences for presentations will *normally* lead to rescheduling to an alternative time and submission deadlines will be extended.

Where to Get Help

My office hours are listed at the top of this document. Note that if you need help with writing, McMaster students now have free access to an on-line program to help with writing. This program is called Grammarly. The user copies and pastes text into the program and receives notification of errors and suggestions for corrections. To register as a user, go to <http://www.grammarly.com/edu/> and "Sign Up". Academic support services are also available from the Student Success Centre. Please see <https://studentsuccess.mcmaster.ca/academic-support/academicsupport/>.

Turnitin.com

In this course, we will be using web based service Turnitin.com (<http://turnitin.com/>) to reveal academic dishonesty in your summary and final paper. Students should submit both the summary and the final paper in electronic form and in hard copy. We will also be comparing papers submitted in the three sections. To see the McMaster Turnitin.com Policy, please go to <http://www.mcmaster.ca/academicintegrity/turnitin/guidelines.html>. Should you object to the submission of your work to Turnitin.com you must still submit both hard and electronic copies of your summary and final paper; you must also meet with me to discuss alternative methods of assessment.

UNIVERSITY POLICIES

Academic Integrity Statement

You are expected to exhibit honesty and use ethical behavior in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behavior can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation

reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only two forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one’s own or for which credit has been obtained.
2. Failure to reference in quotation marks a direct quote from another source.

Academic Accommodation of Students with Disabilities

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements. Academic accommodations must be arranged before classes or academic work begins, and for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca. For further information, consult McMaster University’s Policy for [Academic Accommodation of Students with Disabilities](#).

Academic Accommodation for Religious, Indigenous and Spiritual Observances

Students who require academic accommodation due to an Observance must submit a RISO form to their Faculty office, electronically or in person, normally within ten working days from the beginning of each term in which they are anticipating a need for Accommodation. For further information, consult McMaster University’s [Policy on Academic Accommodation for Religious, Indigenous and Spiritual Observances](#).

Faculty of Social Sciences E-mail Communication Policy

Effective September 1, 2010, it is the policy of the Faculty of Social Sciences that all e-mail communication sent from students to instructors (including TAs), and from students to staff, must originate from the student’s own McMaster University e-mail account. This policy protects confidentiality and confirms the identity of the student. It is the student’s responsibility to ensure that communication is sent to the university from a McMaster account. If an instructor becomes aware that a communication has come from an alternate address, the instructor may not reply at his or her discretion.

Course Modification

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 his/her McMaster email and course websites weekly during the term and to note any changes.

***Requests For Relief For Missed Academic Term Work
McMaster Student Absence Form (MSAF)***

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work”.

Extreme Circumstances

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

WEEKLY COURSE SCHEDULE AND IMPORTANT DATES

| Dates | Deadline is on Wed. 11:20am | Topics (required readings follow this table) |
|------------------|---|---|
| 4, Sept. | | Introduction and Reasoning |
| 9, 11 Sept. | | Reasoning and Correlation vs Causation |
| 16, 18 Sept. | | Correlation vs Causation and Fundamentals of Econometrics |
| 23, 25 Sept. | STATA Assig #1 | Fundamentals of Econometrics and Laboratory Experiments |
| 30 Sept., 2 Oct. | STATA Assig #2 | Laboratory Experiments and Social Experiments |
| 7, 9 Oct. | Paper Proposal | Social and Field Experiments |
| 21, 23 Oct. | | Natural Experiments, and Internal and External Validity |
| 28, 30 Oct. | Assignment 3 | Critical Reading; Team Presentations |
| 4, 6 Nov. | | Team Presentations |
| 11, 13 Nov. | Paper Summary | Team Presentations |
| 18, 20 Nov. | | Team Presentations |
| 25, 27 Nov. | | Team Presentations |
| 2 Dec. | Final Paper due Wed. Dec. 4th at noon | Team Presentations (if needed) |

TEAM PRESENTATIONS

1. The **schedule** will be posted on A2L and presented in class after the course drop/add deadline (Sept. 11th, 2019) has passed.
2. Each team makes **two presentations**. One where they present an article (“Team A” presentation) and one where they discuss an article (“Team B” presentation).
3. There will normally be 3 students per team. Students will be randomly assigned to teams. Each team must have the same membership when it serves as “Team A” and as “Team B”.
4. Your **team grades** will be based on accuracy and quality of economic content as well as the effectiveness of both your slides and verbal presentation.
5. By Sept 16th teams will be randomly assigned two initial articles and dates (one as Team A and one as Team B). These initial assignments will be posted on Avenue to Learn. Teams will have until the end of day on September 30th to inform me of any mutually agreeable trades with other teams concerning presentation dates. The only restrictions are that your team may not be both Team A and Team B for the same article AND you cannot change the date on which a paper is presented. The final schedule will be posted on Avenue to Learn on or shortly after Sept. 30th.

| Topic | Required Readings |
|--------------|--|
| Reasoning | <p>“Statistics and Logic,” Chapter 1 from Lucy Horowitz and Lou Ferleger, <i>Statistics for Social Change</i>. Black Rose Books, 1988.</p> <p>“Language,” Chapter 1 (especially section 1.2) from Baillargeon.</p> |

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| Correlation vs. Causation | <p>“Controlled Experiments,” Chapter 1 and “Observational Studies,” Chapter 2 from David Freedman, Robert Pisani, Roger Purves, <i>Statistics</i>. Norton, 4th Edition, 2007.</p> <p>Pages 5–13 from James Stock and Mark Watson, <i>An Introduction to Econometrics</i>. 3rd Edition, 2011.</p> <p>“Mathematics,” Chapter 2 (especially section 2.2) and “Empirical and Experimental Science,” Section 4.1 from Baillargeon. Chapter 3 is interesting too, especially section 3.3.</p> |
| Fundamentals of Econometrics | <p>“An introduction to regression analysis,” Alan O. Sykes (Coase-Sandor Institute for Law & Economics Working Paper No. 20, 1993).</p> <p>“Linear Regression with Multiple Regressors,” Chapter 6, pages 179–204 from James Stock and Mark Watson, <i>An Introduction to Econometrics</i>. 3rd Edition, 2011.</p> |
| Laboratory Experiments | <p>“Laboratory Economics: Of Rats and Men,” Chapter 9 from T. Sandler, <i>Economic Concepts for the Social Sciences</i>. Cambridge University Press, 2002.</p> <p>“Why labor market experiments?” Falk, A. and Fehr, E. <i>Labour Economics</i> 10, 2003, 399–406.</p> |
| Social and Field Experiments | <p>“The Case for Randomized Field Trials in Economic and Policy Research,” Gary Burtless, <i>Journal of Economic Perspectives</i>, 1995, 9, 2.</p> <p>“Field experiments in economics: The past, the present, and the future” Steven Levitt and John List. <i>European Economic Review</i> 53, 2009, 1–18.</p> |
| Natural Experiments | <p>“Natural and Quasi-Experiments in Economics,” Bruce Meyer, <i>Journal of Business and Economics Statistics</i> 13(2), 1995, 151–161.</p> <p>“Using natural experiments to evaluate population health interventions: new Medical Research Council guidance” C. Cooper C et al., <i>Journal of Epidemiology and Community Health</i> (2012).</p> |
| Internal and External validity | <p>“Assessing studies based on Multiple Regression,” Chapter 9, pages 315–340 from James Stock and Mark Watson, <i>An Introduction to Econometrics</i>. 3rd Edition, 2011.</p> <p>“Internal and external validity in economics research: tradeoffs between experiments, field experiments, natural experiments, and field data,” Brian Roe and David Just, <i>American Journal of Agricultural Economics</i> 91(5), 2009, 1266–1271.</p> |
| Critical Reading | <p>“Critical Reading or How to Make Sense of Published Research,” Chapter 6 from Steven Greenlaw, <i>Doing Economics: A guide to understanding and carrying out economic research</i>. Houghton-Mifflin Company, 2006.</p> <p>“A few questions for the critical reading of research results,” Section 4.3, “The SEARCH Model,” Section 4.4, and “Thirty-One strategies for fostering a critical approach to the media,” Section 5.3 and “Conclusion” from Normand Baillargeon.</p> |