

ECON 4FF3: Research Methods in Economics

Fall 2018

Instructor: Marc-André Letendre

Email: letendre@mcmaster.ca

Office : KTH 410

Office Hours: 3-4pm Monday and Wed.

Lecture: Monday 1:30-2:20pm and Wed. 12:30-2:20pm

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COURSE DESCRIPTION

Students discuss and present papers, learn research methods used in economics and write a critical review of the literature on an economic topic of their choice. ECON 4FF3 prepares Honours Econ Specialist students for their capstone course ECON 4AA3.

PREREQUISITES

ECON 2G03 with a grade of at least C+; and

ECON 2H03 with a grade of at least C+; and

Credit or enrolment in ECON 3EE3/3U03; or a grade of at least A- in ECON 3E03/3WW3; and registration in Level III or Level IV of an Honours Economics program with a GPA of at least 6.

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
 - Simulation of dynamic general equilibrium (DGE) models
- Gain experience at presenting and evaluating the research work of others, both orally and in writing.
- Have been introduced to the process of economic research.

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 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 are expected to check the 4FF3 course page on A2L on a regular basis.

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. Econometric assignment – 4%
2. Peer feedback assignment – 4%
3. Roundtable discussion of assigned research paper #1 – 4%
4. Roundtable discussion of assigned research paper #2 – 4%
5. Report 1-Proposal of topic and articles for final paper; 2-3 pages – 4%
6. Report 2- Summary of papers; 7-8 pages – 10%
7. Final paper-critical review paper (approx. 20 pages) – 30%
8. Class presentation of student's research review paper – 10%
9. Team A - presentation of assigned research paper – 10%
10. Team B - discussion of assigned research paper – 10%
11. Individual class participation (other than Team A and B) – 10%

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 research review paper that is the final and most important piece of work. 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

Class presentations:

Grades for individual and team presentations will be based on accuracy and quality of economic content as well as the effectiveness of both your slides and verbal presentation. For team presentations, all members of a team will *normally* receive the same grade. More details are contained in a handout posted on A2L.

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) count as one absence.

Missing a 110-minute lecture count 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. Non-trivial late arrivals will be counted as partial absences. Dates where you were absent will be posted on Avenue to Learn (under Grades).

Reports 1 and 2, final paper and other assignments: see separate handout posted on A2L.

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. Relief measures will follow these guidelines: (i) absences for presentations will normally lead to rescheduling to an alternative time; (ii) submission deadlines for report 1, report 2 and the final paper will be extended (no reallocation of weight to other evaluation components); (iii) for the econometric assignment, peer feedback assignment, and roundtable discussions the weight of these items will be reallocated to other evaluation components.

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 sections of ECON 4F03. 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 three 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. Improper collaboration in group work.
3. 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.

WEEKLY COURSE SCHEDULE AND IMPORTANT DATES

Monday's Date	Deadlines (on Wed. unless noted)	Monday 1:30-2:20	Wednesday 12:30-2:20
3 Sept.		Labour day; no class	Course outline and Intro to course;

			Intro to Research
10 Sept.		Critical reading	Correlation & Causality;
17 Sept.		Review of Econometrics	Review of Econometrics
24 Sept.	Econometrics Assignment	Review of Econometrics; Lab experiments	Social and Field Experiments;
1 Oct.		Natural Experiments; Internal and External validity	DGE models
8 Oct.	----- Mid term recess -----		
15 Oct.	Report 1 (proposal of topic and papers)	Wrap up lectures and discuss expectations for roundtable discussions, presentations, report 2 and final paper.	Reading time in preparation of roundtable discussion #1
22 Oct.		Roundtable discussion of assigned research article (#1)	Reading time in preparation of roundtable discussion #2
29 Oct.		Roundtable discussion of assigned research article (#2)	<i>Team Presentations</i>
5 Nov.	Report 2 (summary of papers)	<i>Team Presentations</i>	<i>Team Presentations</i>
12 Nov.	Peer feedback assignment	Writing in economics	Writing in economics
19 Nov.		<i>Individual Presentations</i>	<i>Individual Presentations</i>
26 Nov.		<i>Individual Presentations</i>	<i>Individual Presentations</i>
3 Dec.	Final paper (hardcopy and electronic versions) due by 3pm on Wed. Dec. 5th, 2018	<i>Individual Presentations</i>	<i>Individual Presentations if needed</i>

The schedule above might have to be modified according to course enrollment.

Topic	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>
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>
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>
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): 151-161 (1995)</p> <p>“Natural Experiments in Macroeconomics,” N. Fuchs-Schuendeln and T.A. Hassan, NBER working paper 21228, 2015, 108 pages. http://www.nber.org/papers/w21228</p>
Review 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>
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</p>

	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.
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>
Writing in Economics	Dudenhefer, P. (2014) “A Guide to Writing in Economics”, Duke University, 69 pages

Team Formation:

The team must have the same membership when it serves as Team A and as Team B. A list of team members must be provided to the Instructor and approved by all members of each team by the end of class on Monday September 17th. If you are not a member of a team by this date, you will be assigned to a team by the instructor.

By Wednesday Sept 19th, teams will be assigned two initial topics 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 class on Wednesday Sept 26th to inform the instructor of any mutually agreeable trades with other teams concerning dates and topics. The only restrictions are that your team 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 by Friday September 28th.