

SYLLABUS

Economics 371: Introduction to Econometrics

Spring 2006

Professor: Justin L. Tobias

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Office Hours: Tuesday/Thursday 10:00-12:00

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Course Web Site: <http://www.econ.iastate.edu/classes/econ371/tobias/index.htm>

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1. Course Description

This course serves as an introduction to econometrics, and places particular emphasis on estimation and interpretation of the standard linear regression model. We first conduct a quick review of basic probability and statistics. We then begin to analyze the two-variable linear regression model and move on to the general k -variable model. Throughout, we discuss *estimation*, *prediction*, and *testing*. Students will also apply the techniques learned in this course using STATA (This software package will be made available in the computer labs in 64 Heady).

2. Grading

The final grade will be based on problem sets and a combined examination score. The problem sets and exams will constitute 30 and 70 percent of your final grade, respectively. Three examinations will be given throughout the semester. The top two of these three exam scores will be averaged to come up with your score for the examination component of your final grade. (That is, you can drop the lowest of your three exam scores).

3. Lectures

The lectures will generally follow the topics covered in the required textbook for the course, *Introduction to Econometrics* by Stock and Watson. Additional material not found in the text will also be covered to supplement your understanding of the topics.

4. Course Web Site

The course website, <http://www.econ.iastate.edu/classes/econ371/tobias/index.htm> will be vital tool throughout this class. The course web site will contain: the problem sets for the course, the problem set solutions, data sets required for completing the problem sets and additional powerpoint examples to supplement the lectures. Finally, the course web site will contain other important announcements such as due dates for the problem sets.

5. Textbooks

The required textbook is

Introduction to Econometrics (2003) by Stock and Watson.

Other texts that you may find helpful are:

Gujarati, D. N. *Basic Econometrics*, 4th edition, 2003.

Madalla, G. S. *Introduction to Econometrics*, 2nd edition, 1992.

Kmenta, Jan *Elements of Econometrics*, 2nd edition, 1986.

Kennedy, Peter. *A Guide to Econometrics*, 3rd edition, 1992.

Please note that this class will be based **exclusively on material covered in the lecture notes**. Use the textbook to support your understanding of class discussion. I will never ask you questions on an exam or quiz that is contained in the text, but was not covered in the lectures.