

Author (year), "Title", Journal name, Volume number, Page numbers

D. McCloskey - Economical Writing  
Communication  
**BROCK UNIVERSITY**  
Economics 5P04 Topics in Applied Economics  
Winter 2020

Alternatives:  
concluding paragraph  
housework  
be included in the national income

Co-ordinator: R. Dimand  
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Course times: M 1700-2000, TH240  
Office Hours: M W 1430-1600

### COURSE GOALS AND PRACTICAL PROFESSIONAL SKILLS

1. An important part of the skill set of economists is the ability to conduct empirical analyses of economic issues. At the completion of this course, it is expected that each student will have a good knowledge of, and practical hands-on experience in, quantitative techniques (econometric, statistical, and non-parametric) that are used by practising economists.
2. It is expected that skills learned in the course will be generic in nature, and that they will equip the student with the ability and tools required for learning and using new software packages as they are developed.
3. The course will give students the opportunity to hone their oral presentation skills, specifically the ability to present findings from empirical analysis to fellow class members and to the professor coordinating the course, and to justify and defend those findings.
4. In addition to encouraging the development of verbal skills, this course will also emphasize the skills used in presenting complex empirical findings in the form of a written report that effectively and simply communicates, justifies, and defends its main findings.

### REQUIRED READINGS

Donald N. McCloskey, "Economical Writing," *Economic Inquiry*, Vol. 23, No. 2 (April 1985), pp. 187-222.  
Daniel Hamermesh, "The Young Economist's Guide to Professional Etiquette," *Journal of Economic Perspectives*, Vol. 6, No. 1 (Winter 1992), pp. 169-179.

Daniel Hamermesh, "Viewpoint: Replication in Economics," *Canadian Journal of Economics*, Vol. 40, No. 3 (August 2007), pp. 715-733. See also "Nothing to smile about: Another example of why replication is important in science," *The Economist*, November 25, 2017, p. 76.

T. D. Stanley, "Wheat from Chaff: Meta-Analysis as Quantitative Literature Review," *Journal of Economic Perspectives*, Vol. 15, No. 3 (Summer 2001), pp. 131-150.

Deirdre N. McCloskey and Stephen T. Ziliak, "The Standard Error of Regressions," *Journal of Economic Literature*, Vol. 34 (March 1996), pp. 97-114.

J. Bradford De Long and Kevin Lang, "Are All Economic Hypotheses False?" *Journal of Political Economy*, Vol. 100 (1992), pp. 1257-72.

In addition to the articles listed above for Prof. Dimand's portion of the course, other relevant journal articles will be assigned for other parts of the course as the term progresses.

Here is a list of some useful econometrics reference textbooks. The first three are more theoretical and broad-based in their coverage of estimators, and are used as textbooks in graduate econometrics courses. The Stock and Watson book (which is the textbook for ECON 2P91 Business Econometrics) does a good job of covering basic statistics, linear regression, and some extensions, and is an excellent starting point for a review. But the books by Angrist and Pischke and by Kennedy are probably the ones that you will find most useful, both in this course and in later life, for intuition and practical advice.

#### Some recommended reference texts in econometrics:

C. Cameron and P. Trivedi, *Microeconometrics: Methods and Applications*, Cambridge, 2005

Russell Davidson and James MacKinnon, *Econometric Theory and Methods*, Oxford, 2004

W. H. Greene, *Econometric Analysis*, 5<sup>th</sup> ed., Prentice Hall, 2003 (earlier or later editions will do)

James Stock and Mark Watson, *Introduction to Econometrics*, 2<sup>nd</sup> ed., Pearson, 2007 (earlier or later edition is OK)

Joshua D. Angrist and Jörn-Steffen Pischke, *Mostly Harmless Econometrics: An Empiricist's Companion*, Princeton, 2008; Angrist and Pischke, *Mastering 'Metrics: The Path from Cause to Effect*, Princeton, 2014

Peter Kennedy, *A Guide to Econometrics*, 5<sup>th</sup> edition, MIT Press, 2003.

J. Wooldridge, *Econometric Analysis of Cross-Section and Panel Data*, Second Edition. MIT Press, 2010.

#### GRADING

This is a hands-on course that requires student involvement and input. Students will be assessed as follows:

#### Oral Presentation to Class of Assigned Journal Article (15%), Classroom Discussion (5%)

Each student will select an empirical/applied economics journal article and will submit that choice of article (with a back-up choice, in case more than one student selects the same article) in the January 13, 2020, class. The article will have been published in the past ten years in any one of: American Economic Review, one of the American Economic Journals (Applied, Economic Policy, Macro, or Micro), Canadian Journal of Economics, Applied Economics (not Applied Economics Letters) or Empirical Economics. The student will be responsible for reading the article carefully, giving an oral in-class presentation on the scientific aspects of the article, and for leading a discussion of the suitability of the approach (or

approaches) chosen by the following aspects:

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approaches) chosen by the author(s) to the topic being studied. The presentation should address the following aspects:

What question/issue does the paper address? Why is it important/ What is the context?

What do the data look like? Do they have any problems?

What type of model is being used? Briefly describe it, and mention any shortcomings.

What does the empirical analysis show? 实证分析

What does this research show? Are there any policy implications? 政策含义, 体现模型结论的"实用性"  
"实际意"

The presentation should take no more than 15 minutes, with an additional 5 to 8 minutes for class discussion. Presentations will take place on Monday, January 27, and Monday, February 3. All students must read all the articles being presented by fellow students so that all may engage fully in the class discussion.

#### 4 Problem Sets (each worth 10%)

Handed out two weeks prior to due dates.

Professors Dimand will assign and grade two problem sets. Professors Lamarche and Ogwang will each assign and grade one problem set. One of Professor Dimand's assignments will be an empirical replication, the other an annotated literature review.

#### Research Project (40%)

Over the term each student must carry out an empirical research project and produce a written report due April 3, 2020. Details about the scope and requirements of the project will be given in class. Each student must submit a project proposal by February 6 (worth 5%) which must be approved before the project is undertaken and must make an oral presentation of his/her project (worth 10%) on one of the following two dates: Monday, March 23, and Monday, March 30. On those two days class will continue an hour later than usual to accommodate the number of presentations. The written report will be worth 25%. Students are strongly encouraged to do poster presentations of their research project at the Brock graduate student conference "Mapping the New Knowledges," April 2020. A poster presentation at that conference is worth up to 3 bonus marks, an oral presentation at the conference is worth up to 5 bonus marks (subject to total grade including bonus marks not exceeding 100).

There will not be a final examination in the scheduled examination period.

#### Important Notes

Because academic integrity is vital to the well-being of the university community, Brock University takes academic misconduct very seriously. Academic misconduct includes plagiarism, which involves presenting the words and ideas of another person as if it were your own, and other forms of cheating, such as using crib notes during a test or fabricating data for an assignment. Students are encouraged to read the Brock University Graduate Calendar Academic Regulations and University Policies and are directed specifically to Section XV, pertaining to academic misconduct. The research project is to be submitted through turnitin.com as well as in hardcopy. In case of a conscientious objection to turnitin.com on copyright grounds, alternative arrangements will be made.

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Problems are handed out in class two weeks prior to their due dates. Problem sets are not group assignments. This means that you may discuss your answers with your fellow students but you must write up and submit your answers independently. Evidence of plagiarism on an assignment will result in a mark of zero on the problem set, and a record will be kept by the Dean's Office so that any second offense can be recognized as such and dealt with accordingly.

**Course Outline:**

**INTRODUCTION AND OVERVIEW OF RESEARCH PROCESS** (R. Dimand)  
McCloskey (1985), Hammermesh (1992)

**SURVEYING THE LITERATURE, DATA ISSUES AND PRESENTING RESULTS** (R. Dimand)  
Stanley (2001), Hamermesh (2007), McCloskey and Zilliak (1996), De Long and Lang (1992)  
In-class workshop, "Making a Speech/Presentation and Fine-Tuning Power Point Presentations" put on by Learning Skills Services at Brock, in regular class-room  
Presentation by Linda Lowry, Economics and Business Reference Librarian, Monday, January 20, in Classroom A in Learning Commons

*Journal of Economic Literature* classification system [http://www.aea.org/journal/jel\\_class\\_system.html](http://www.aea.org/journal/jel_class_system.html)  
In-class workshop, "Writing a Literature Review" (along with quoting, paraphrasing and style, and Chicago Manual of Style), put on by Learning Skills Services at Brock in regular classroom

Oral presentation by students of journal articles, Monday, January 27, and Monday, February 3.

**REVIEW OF CLASSICAL LINEAR REGRESSION AND MAXIMUM LIKELIHOOD** (J. F. Lamarche, 1 lecture)  
Stock and Watson, Chapters 5, 6, 7, 9  
Greene, Chapters 2 to 8, 17  
Davidson and MacKinnon, Chapter 10  
Canned programs for doing econometrics/statistics (e.g. SHAZAM, SPSS, STATA, RATS)

**TIME SERIES ECONOMETRICS: STATIONARY STOCHASTIC PROCESSES; AR, MA, ARMA PROCESSES; NON-STATIONARY STOCHASTIC PROCESSES: STOCHASTIC AND DETERMINISTIC TRENDS, IMPACT OF OLS ESTIMATION, UNIT ROOT TESTING** (J. F. Lamarche, 2 lectures)  
Stock and Watson, Chapters 14, 16, 18  
Davidson and MacKinnon, Chapters 9, 12, 13, 14  
Walter Enders, *Applied Econometric Time Series*, 2<sup>nd</sup> ed., Wiley, 2004, Chapters 2, 4, 5

**PANEL DATA ANALYSIS** (T. Ogwang, 3 lectures)  
Stock and Watson, Chapter 10  
Cameron and Trivedi, Chapters 21-22  
Greene, Chapter 13  
Wooldridge, Chapter 10

Tomson Ogwang and Danny Cho, "Economic Determinants of the Consumption of Alcoholic Beverages in Canada: A Panel Data Analysis," *Empirical Economics*, Vol. 37, No. 3 (December 2009), winner of the Springer Prize for the best article published in *Empirical Economics* in the years 2008 and 2009.

**PUTTING IT ALL TOGETHER (R. Dimand)**

Writing a research paper and writing for economic journals

Forecasting elections: Ray C. Fair, "Econometrics and Presidential Elections," *Journal of Economic Perspectives*, Vol. 10, No. 4 (1996), pp. 89-102, and later updates by Fair on his website.

Student presentations of research, Monday, March 23, and Monday, March 30

In-class workshop, Monday, March 16, "Writing a Business Report," put on by Learning Skills Services at Brock in regular classroom