

**THE UNIVERSITY OF HONG KONG
FACULTY OF BUSINESS AND ECONOMICS**

**School of Economics and Finance
ECON0701/ECON2280 – Introductory Econometrics**

GENERAL INFORMATION

ECON0701/ECON2280

Subclass A: Semester 1, Wednesday 09:30 – 12:20 in KK202

Subclass B: Semester 1, Friday 09:30 – 12:20 in KKL109

Subclass E: Semester 2, Monday 14:30 – 17:20 in KKL103

Teacher: Dr. Clement Wong

Email: ypclemw@hku.hk

Office: Room 921, K K Leung

Phone: 2859 1037

Office hours: TBA

Subclass C: Semester 2, Monday 09:30 – 12:20 in MWT2

Subclass D: Semester 2, Tuesday 13:30 – 16:20 in LE4

Teacher: Dr. Ping Yu

Email: pingyu@hku.hk

Office: Room 1108, K K Leung

Phone: 2857 8358

Office hours: TBA

Pre-requisites:

ECON1001/ECON1210 Introductory microeconomics; *and* ECON1003/ECON1280 Analysis of economic data *or* STAT0301/STAT1601 Elementary statistical methods *or* STAT0302/STAT1602 Business statistics *or* STAT1306/STAT1603 Introductory statistics *or* STAT1301/STAT2601 Probability & statistics I *or* STAT1801/STAT2901 Probability & statistics: Foundations of Actuarial Science

Mutually exclusive courses:

STAT2314/STAT3614 Business Forecasting *and* STAT2804/STAT3907 Linear models and Forecasting

Co-requisites: N/A

Course Website: available through HKU Portal e-learning

COURSE DESCRIPTION

Most of economics is about modeling relations among economic variables. Examples range from the relation between interest rates and inflation rate, the effect of the education level on income, or the relationship between prison sentences and crime rates. Leaders from business and policy circles rely on understanding these relations in order to discharge their duties and formulate effective business plans and public policies. To evaluate these relations, they rely on data analysis.

Econometrics, hence, is this branch of economics that formulates statistical methodology to deal with the empirical problems typical of economic data. Consequently, the objective of this course is to prepare students for basic empirical work in economics. In particular, topics will include basic data analysis, regression analysis, and testing. Students will be provided with the opportunity to use actual economic data to test economic theories.

COURSE OBJECTIVES

1. To acquire and internalize knowledge of statistical methods used by economists and financial professionals.
2. To develop the ability to discern which method is most appropriate in a given situation, and understand the limitations of the chosen method.
3. To acquire the skills to apply these methods in a variety of contexts (e.g. microeconomic analysis, macroeconomic analysis, and policy analysis) and with a variety of instruments (e.g. Stata, Excel, calculator and statistical table).

COURSE LEARNING OUTCOMES	
Course Learning Outcomes	Aligned Faculty Goals
CLO1. Understand the basic properties of estimators and the conditions under which they apply.	Goal# 1, 2
CLO2. Estimate and interpret economic relationship among variables using linear regression model.	Goal# 1, 2
CLO3. Formulate and test hypotheses about underlying economic relations using t-test, F-test, and chi-square test.	Goal# 1, 2, 3
CLO4. Understand the implications for estimation results under assumptions of the classical linear model are violated.	Goal# 1, 2
CLO5. Test for violations of the classical linear model assumptions and adjust the regression model to address them.	Goal# 1, 2
CLO6. Apply statistical software to conduct regression analyses.	Goal# 1, 2
CLO7. Interpret and present the findings of econometric analysis.	Goal# 3, 5
<p>* Faculty Goals are as follows:</p> <p>FLO1 Acquisition and internalization of knowledge of economics & finance FLO2 Application and integration of knowledge FLO3 Inculcating Professionalism and Leadership FLO4 Developing global outlook FLO5 Mastering communication skills</p>	

COURSE TEACHING AND LEARNING ACTIVITIES			
Course Teaching and Learning Activities		Expected contact hour	Study Load (% of study)
T&L1.		36	30%
Lectures		12	10%
T&L2.		72	60%
Total		120	100%
Assessment Methods	Brief Description (Optional)	Weight	Aligned Course Learning Outcomes
A1. Assignments	3 to 5 assignments will be given	10 to 20%	CLO1-7
A2. Midterm	Midterm examination will be scheduled at a separate time for all students enrolling in each instructor's subclasses. The exam date will be announced at the beginning of the semester.	25 to 35%	CLO1-7
A3. Final Examination	Date to be scheduled by the University	50%	CLO1-7
Total		100%	

STANDARDS FOR ASSESSMENT**Course Grade Descriptors¹**

A+, A, A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
B+, B, B-	Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
C+, C, C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.
D+, D	Evidence of basic familiarity with the subject.
F	Little evidence of basic familiarity with the subject.

¹ Assessment rubrics for each assessment are the same as in course grade descriptors.

REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS

Required Textbook:

Wooldridge, Jeffrey M (2016). *Introductory Econometrics: A Modern Approach*. 6th edition. Cengage Learning.

Note: It is your responsibility to acquire the textbook. We will not upload end-of-the-chapter questions in Moodle due to copyright restriction.

COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

Topics	Reading Assignments
Nature of Econometrics and Economic Data	Chapter 1
The Simple Regression Model	Chapter 2
Multiple Regression Analysis: Estimation	Chapter 3
Multiple Regression Analysis: Inference	Chapter 4
Multiple Regression: Further Issues	Chapter 6
Regression Analysis with Qualitative Information	Chapter 7
Heteroskedasticity	Chapter 8
More on Specification and Data Issues	Chapter 9
Regression Analysis with Time Series Data	Chapter 10

COURSE POLICY

1. Lecture PPT files will be posted on Moodle before each class. Please download and bring them to class.
2. Tutorial questions will be posted on Moodle one week in advance. Tutorial questions are not assignments; there is no need to turn them in. Tutorials will be held on the computer labs either KKL1104 or KKL1009.
3. All assignments must be *typed*. This is a course policy that applies to all subclasses. Please learn how to use MS Word's equation editor.
4. For this course you need to learn how to use a statistical software called STATA to do your tutorial and assignment questions. We will post some basic user guide information on the course's Moodle website to introduce you to the basics of the program. The TA will also show you how to use STATA in the tutorial sessions.

5. Midterm examination policies:

No supplementary midterm examination will be given. If you have a legitimate reason for missing the midterm, its weight will be added to the final examination. The only legitimate reasons are 1) sickness and 2) time clash with other midterm examinations.

You must inform the instructor (via email, phone call or voice message) *before* the examination starts and provide a doctor certificate to verify that you have sought medical treatment *prior to* the exam and that you are unfit to take the examination.

6. Please do check your email regularly for course announcements from the instructor.
7. Do not abuse the convenience of emails.
 - (i) Do not ask about things you are supposed to know, such as those in Moodle or emails from the instructor/TA.
 - (ii) Minimize emailing your questions to the instructor/TA since it is often difficult to answer questions effectively via emails. Please go to see them in person during their office hours.
8. Classroom conduct: Be a considerate and mature person. The instructor and TA have the discretion to impose penalty in case of classroom misconduct.
 - (i) Do not videotape or audio record the lecture without the instructor's consent.
 - (ii) Please observe the following good practice:
 - Come to class and return from the break on time.
 - In case you are late, minimize disruption to the class by sitting at the back.
 - If you have to leave the class early, please inform the instructor beforehand and sit close to the door.
 - Use of mobile/smart phone for *any* purposes and chatting are strictly prohibited when the class is in session. Remember to turn off your phone before class starts.

9. Academic Conduct

The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>

Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

a. Plagiarism - The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be **acknowledged**.

b. Unauthorized Collaboration on Out-of-Class Projects - The representation of work as solely one's own when in fact it is the result of a joint effort. Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

- (1) The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence;
- (2) The relevant Board of Examiners may report the candidate to the Senate, where there is *prima facie* evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

Plagiarism will automatically result in at least a failing grade for the plagiarized assignment or examination, and possibly the entire course depending on the severity of the case. Serious cases will be referred to the University's Disciplinary Committee.