



Canada's Capital University

Department of Economics
ECON 4905 A – Honours Capstone Seminar
SUMMER 2019

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ECON 4905 – HONOURS CAPSTONE SEMINAR

The development of individual research projects in suitable economics topic areas with the exchange of results at each stage through in-class discussions and written and oral reports and culminating in a major research paper by each course registrant.

PRECLUDES ADDITIONAL CREDIT FOR: ECON 4890, ECON 4900 (no longer offered), ECON 4901, and ECON 4902. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Amanda Wright.

PREREQUISITE(S): ECON 3900 with a grade of C+ or higher, ECON 3920 with a grade of C+ or higher, and registration in an Honours Economics program. Seminars three hours a week.

REQUIRED TEXTBOOK(S)

There is no required textbook for this course. I will be using aspects from the following (in order of importance with one being the most important and 3 being the least):

1. Angrist, J. D., & Pischke, J. (2009;2008;). Mostly harmless econometrics: An empiricist's companion. Princeton: Princeton University Press.
 - a. In particular, Chapter 1, 2 and 3.
2. Any introductory econometrics textbook (Wooldridge, Dougherty, Kennedy, etc.)
3. (Perhaps) Abelson, Robert P. (1995). Statistics as principled argument. Psychology Press.

READING LIST:

1. ONE of the following Journal of Economic Perspectives articles:
 - a. Guiso, Luigi, Paola Sapienza, and Luigi Zingales. 2006. "Does Culture Affect Economic Outcomes?" *Journal of Economic Perspectives*, 20 (2): 23-48.
 - b. Romer, Paul M. 1994. "The Origins of Endogenous Growth." *Journal of Economic Perspectives*, 8 (1): 3-22.
 - c. Athey, Susan, and Guido W. Imbens. 2017. "The State of Applied Econometrics: Causality and Policy Evaluation." *Journal of Economic Perspectives*, 31 (2): 3-32.
 - d. A similar article after consultation with the instructor.

2. THREE of the following Economic Letters journal articles:
 - a. Toya, H., & Skidmore, M. (2007). Economic development and the impacts of natural disasters. *Economics Letters*, 94 (1), 20-25.
 - b. Arntz, M., Gregory, T., & Zierahn, U. (2017). Revisiting the risk of automation. *Economics Letters*, 159, 157-160.
 - c. Brown, S., Gray, D., & Roberts, J. (2015). The relative income hypothesis: A comparison of methods. *Economics Letters*, 130(130), 47;50;-50.
 - d. Li, Y., & Shuai, J. (2019). Monopolistic competition, price discrimination and welfare. *Economics Letters*, 174, 114-117.
 - e. Similar articles after consultation with the instructor.

3. While not graded for this course. Thoughtful journal articles about modelling and pedagogy are as follows:
 - a. Varian, H. R. (2016). How to build an economic model in your spare time. *American Economist*, 61(1), 81-90.
 - b. Rubinstein, A. (2006). Dilemmas of an economic theorist. *Econometrica*, 74(4), 865-883.
 - c. Rubinstein, A. 2017. "Comments on Economic Models, Economics, and Economists: Remarks on Economics Rules by Dani Rodrik." *Journal of Economic Literature*, 55 (1): 162-72.
 - d. Hansen, W., Salemi, M., & Siegfried, J. (2002). Use It or Lose It: Teaching Literacy in the Economics Principles Course. *The American Economic Review*, 92(2), 463-472.
 - e. Frank, R. (2002). The Economic Naturalist: Teaching Introductory Students How to Speak Economics. *The American Economic Review*, 92(2), 459-462.

cuLearn:

This course will use cuLearn extensively as a means of communication between myself, Derek Mikola, and you, the students. I will use cuLearn as a tool to make announcements and to answer questions brought up by students on the cuLearn forum. Students who ask questions to me via email may be directed to re-ask the questions on a cuLearn forum if I feel the whole class will benefit from the additional information. Course materials that will be posted on cuLearn include (but are not limited to): lecture

slides, required readings, Stata files, assignment outlines, assignment feedback and grades, practice problems and a quiz.

For assistance with cuLearn contact the ITS Service Desk (4th Floor, MacOdrum Library, telephone: 613-520-3700.

LEARNING OBJECTIVES:

1. Basic regression analysis. That is, by the end of this course, students will be able to:
 - a. *Explain why economists like regression analysis over simple t-statistics.*
 - b. *Interpret coefficients from regressions.*
 - c. *Identify the difference between “levels” and “logs.”*
 - d. *Know the difference between “practical” and “statistical” significance.*
 - e. *Identify “control” variables from “variables of interest.”*
 - f. *Explain the difference between correlation and causation in economics. (Time permitting)*

2. Basic knowledge of Stata. That is, by the end of this course, students will be able to:
 - a. *Identify the Stata command prompt, Stata do-files, Stata dta-files and Stata log-files.*
 - b. *Know how to troubleshoot issues when they arise.*
 - c. *Construct loops and use macros.*
 - d. *Use commands to produce summary statistics commands, regressions and create graphs via do-files.*
 - e. *Exporting tables to excel.*

3. Become a consumer of research in economics. That is, by the end of this course, students will be able to:
 - a. *Identify quality publications IN ECONOMIC.*
 - b. *Be able to read and summarize journal articles from economic journals such as: The Journal of Economic Perspectives and Economic Letters.*
 - c. *Know of the existence of IDEAS/REPEC and top journals in economics.*

4. Understand format and style of a paper in empirical economics. That is, by the end of this course, students will be able to:
 - a. *Construct and identify research questions and what makes some “better” than others.*
 - b. *Abstract; introduction/literature review; model and methodology; data; results; policy implications, constraints; conclusion.*

5. Students will synthesize the above four learning objectives in the construction a short research paper in economics appropriate for an upper year undergraduate student in an honours economics stream.

STUDENT EVALUATION & COURSE GRADES:

Each student's grade shall be calculated as follows:

- 1. Appropriate course conduct, knowledge of plagiarism, additional student agreements (5%)**
 - a. DATE DUE: FRIDAY JULY 12, 2019
 - b. *Will be decided on and clarified in class.*

- 2. Stata Homework (25%)**
 - a. DATE DUE: FRIDAY JULY 12, 2019
 - b. *Introduction to the software; troubleshooting; uploading datasets. (5%)*
 - c. *How commands are formatted in Stata. A few useful commands. Running loops and using macros. Good code from bad code. (10%)*
 - d. *Summary Statistics and exporting summary statistics tables to excel. Regressions and exporting regression tables to excel. Graphs and exporting graphs to jpeg. (10%)*

- 3. Online Preparation for Quiz (5%)**
 - a. DATE DUE: SUNDAY JULY 14, 2019
 - b. *NOTE! There is no extension for this deliverable.*
 - c. *Interpreting regression coefficients, getting t-statistics, levels versus logs. Stata coding and debugging. (5%)*

- 4. Quiz (10%)**
 - a. DATE: MONDAY JULY 15, 2019.
 - b. *Interpreting regression coefficients, getting t-statistics, levels versus logs. Stata coding and debugging.*

- 5. Paper Summaries (10%)**
 - a. DATE DUE: FRIDAY JULY 19, 2019.
 - b. *ONE from the Journal of Economic Perspectives (5%)*
 - c. *THREE from Economic Letters (5%)*
 - d. *One additional article, hopefully related to the research you want to do.*

- 6. Research Outline with annotated bibliography (15%)**
 - a. DATE DUE: FRIDAY JULY 26, 2019.
 - b. *Should include motivating articles, an article whose econometric model you like, maybe a theoretical backing should your research be appropriate.*

- 7. First Draft (10%)**
 - a. DATE DUE: WEDNESDAY AUGUST 7, 2019.
 - b. *Includes small literature review, econometric specification and methodology, description of data and how the data was cleaned, a results table, summary statistics and a graph.*
 - c. *Excludes the abstract, intro, conclusion, etc.*

8. Second Draft (20%)

a. *Date DUE: FRIDAY AUGUST 16, 2019.*

LATE ASSIGNMENT POLICY:

If you think you do not have enough time to complete an assignment please talk to me. Extensions can be awarded at my discretion. If you fail to talk to me about a late assignment, I may require documentation (medical notes) stating why you were unable to complete the assignment.

48 hours grace period for late written assignments. Reading summaries, research outline and annotated bibliography, the first and second drafts will be accepted up to 48 hours late without penalty and without the need for documentation.

Submitting an assignment after the 48 hour grace period. Students will receive a 0.5% mark penalty (decrease) for each hour submitted late. 2 days following the 48 hour grace period will result in a grade of zero without appropriate documentation.

WRITTEN ASSIGNMENTS SUGGESTIONS

Preference for material to be submitted early. Frankly, the earlier the better. I want to give those who put in work the necessary feedback to make their work better. I will read any material presented to me at least one day before the date due.

MISSED QUIZ

The weight of the quiz will be put onto the first draft. That is, the weight of the first draft will move from 10% to 20% should a student miss the quiz.

SATISFACTORY PERFORMANCE CRITERIA

A STUDENT MUST PASS BOTH THE FIRST AND SECOND DRAFTS IN ORDER TO PASS THE COURSE.

Students must fulfil all of the preceding course requirements in order to achieve a passing grade (D- or higher). See Academic Regulation 2.3 for the official meanings of the grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Application to write a deferred final examination must be made at the Registrar's Office in writing no later than three working days after the original final examination was scheduled.

NOTE

For verification and security purposes, I will not reply to emails originating from non-Carleton e-mail accounts, and which are not signed with a student's name and student number. Assignments and changes to schedules will be made available on cuLearn only. Please ensure that you have a Carleton email account.

PLAGIARISM

Please be aware that plagiarism is serious offense at Carleton and should be recognized and avoided. For further information on how to do so, please see "Pammett on Plagiarism and Paraphrasing" at www.carleton.ca/economics/courses/writing-preliminaries

REQUESTS FOR ACADEMIC ACCOMMODATION

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

PREGNANCY OBLIGATION

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wpcontent/uploads/Student-Guide-to-Academic-Accommodation.pdf

RELIGIOUS OBLIGATION

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

ACADEMIC ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You



must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca/pmc

SURVIVORS OF SEXUAL VIOLENCE

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

ACCOMMODATION FOR STUDENT ACTIVITIES

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

<https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline