



# ECON8040

## Applied Econometrics

Session 1, Weekday attendance, North Ryde 2020

*Department of Economics*

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## General Information

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Credit points

10

Prerequisites

ECON634 or ECON6034

Corequisites

Co-badged status

ECON7035: Econometric Techniques and Applications

Unit description

The objective of this unit is to enable students with basic statistical knowledge to upgrade their understanding to a practical level where they can apply their knowledge of econometrics to empirical analysis. By successfully completing this unit, students should be able to develop an econometric model suitable for the objective of their analysis, estimate the model using an appropriate estimation method, and draw valid inferences from the estimation results. The unit starts with a brief review of the standard multiple linear regression model and the OLS estimation method. It then relaxes the standard assumptions and investigates alternative estimation methods that are valid under the new circumstances. The final part introduces the interesting discrete-choice models.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

**ULO1:** Develop an econometric model suitable for the objective of analysis.

**ULO3:** Interpret the estimation results and draw valid inferences.

**ULO2:** Estimate the model using an appropriate estimation method.

**ULO4:** Critically analyse the econometric methods covered in the unit.

## Assessment Tasks

### Coronavirus (COVID-19) Update

Assessment details are no longer provided here as a result of changes due to the Coronavirus (COVID-19) pandemic.

Students should consult [iLearn](#) for revised unit information.

[Find out more about the Coronavirus \(COVID-19\) and potential impacts on staff and students](#)

## General Assessment Information

### Class Test

It will be of one hour duration. The main purpose of the class test is to provide students with an opportunity to assess their knowledge and to have early feedback on their performance in the unit.

Students who are prevented from sitting the test due to illness or misadventure may apply for special consideration. If approved, a supplementary test will be arranged.

### Assignment

The assignment question will be made available on the unit homepage about 3-4 weeks before the due date. The completed assignment must be submitted via *turnitin* by 5:00pm, Friday 22 May (Week 11). The assignment question sheet will include instructions that must be followed closely. There are no set minimum or maximum lengths for the assignment. However, assignments should be complete and typed using a word-processing program.

No extension will be granted. Late submissions will be accepted up to three days after the submission deadline. There will be a deduction of 10% of the total available marks made from the total awarded marks for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

### The Final Exam

A two hour final examination for this unit will be held during the University examination period. You are expected to present yourself for examination at the time and place designated in the

University Examination Timetable. The timetable will be available in draft form approximately eight weeks before the commencement of the examinations and in final form approximately four weeks before the commencement of the examinations. The draft and final timetables will be available from <http://www.timetables.mq.edu.au/exam>.

Students who do not sit for the final exam will be awarded a grade of FA (failed absent). The only exception to this rule will occur in cases where the student has been granted a supplementary examination on the grounds of unavoidable disruption. Students who are prevented from sitting the final exam due to illness or unavoidable disruption may wish to consider applying for special consideration. If a supplementary examination is granted as a result of the special-consideration process the examination will be scheduled for after the conclusion of the official examination period. If the student does not attend the supplementary examination at the scheduled time, a grade of FA will be awarded.

## Delivery and Resources

### Coronavirus (COVID-19) Update

Any references to on-campus delivery below may no longer be relevant due to COVID-19.

Please check here for updated delivery information: [https://ask.mq.edu.au/account/pub/display/unit\\_status](https://ask.mq.edu.au/account/pub/display/unit_status)

### Classes

There is a single three-hour lecture each week of semester. Class attendance is not compulsory and will not be recorded. However, students who miss classes may put themselves at a considerable disadvantage.

Exercise questions and solutions will be provided for private studies. Some selected questions will be discussed in class.

It should be noted that class attendance is only one part of university study. In addition to class attendance, students will need to spend around six to nine hours per week in private study in order to perform well in the unit.

The timetable for classes can be found on the University website at: <http://www.timetables.mq.edu.au/>

### Required and Recommended Texts and/or Materials

The prescribed text for the unit is

R. Carter Hill, William E. Griffiths, and Guay C. Lim (2018) *Principles of Econometrics*, 5<sup>th</sup> ed., John Wiley & Sons.

Lecture slides will be provided on the unit home page.

### Technology Used and Required

(1) Students will require a **non-programmable calculator** for exercises, test and the final

examination.

Students will also require access to a **computer**, on which the following programs are installed.

- (2) **Gretl**: It is free, open-source software. Visit the Gretl website: <http://gretl.sourceforge.net/>, and choose the operating system of your computer from the menu on the left-hand side. Download and install the program onto the computer. Download also the manual and all the data for practice. Students are required to be able to use this program to answer exercise, test and assignment questions. Students are also required to understand its outputs.
- (3) An internet browser, such as **Firefox** or Internet **Explorer**, to access *iLearn*.
- (4) **Adobe Acrobat Reader**: to read course material downloaded from *iLearn*. This program can be downloaded from <http://www.adobe.com/downloads/>.

### Unit web page

Useful information and some course material will be made available on the learning management system (*iLearn*): [ilearn.mq.edu.au](http://ilearn.mq.edu.au). Visit the homepage regularly for new information, course material and announcements.

## Policies and Procedures

Macquarie University policies and procedures are accessible from **Policy Central** (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Students seeking more policy resources can visit the **Student Policy Gateway** (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit **Policy Central** (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of

Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.