Introduction to Econometrics  
Syllabus  
Fall, 2011  
Department of Accountancy  
NCKU

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The mission of the Graduate Institute of Finance is to explore and advance theories and models in financial research to cultivate competitive professionals with ethical integrity, innovative capabilities and international perspective.

General Program Learning Goals (goals covered by this course are indicated):

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<td>✓</td>
<td>1</td>
<td>Graduates should be able to communicate effectively verbally and in writing.</td>
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<td>2</td>
<td>Graduates should solve strategic problems with a creative and innovative approach.</td>
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<td>Graduates should demonstrate leadership skills demanded of a person in authority.</td>
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<td>Graduates should possess a global economic and management perspective.</td>
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<td>5</td>
<td>Graduates should possess the necessary skills and values demanded of a true professional.</td>
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Prerequisites:  
Calculus and statistics

Course descriptions and objectives:  
The purpose of this course is an introduction to econometrics for first year accounting and finance graduate students. The background needed for this course is calculus and statistics. The course is application-oriented, and it is very helpful for students to do empirical researches. Many techniques and concepts covered in this course will be very helpful for your theses. We do not, however, cover time series part in this course.

Software:  
EViews and SAS are available. Others such as Gauss, Rats are also popular in Econometrics and Time Series.

Textbooks:  
Required Reading:  
Other advanced suggested reading: Greene, W.H., Econometric Analysis, 7th edition,
Content summaries:
Introduction, statistical background (Ch.1, Appendix A, B, C)
Simple Regression (Ch.2)
Multiple Regression (Ch.3, 4, 5, 6)
Dummy variables (Ch.7)
Heteroskedasticity (Ch.8)
Limited dependent variable models and sample selection corrections (Ch.17)
Midterm exam and Proposal due
Instrumental variables (IV) estimation
and two stage least squares (2SLS) (Ch.15)
Simultaneous equations models (Ch.16)
Pooling cross sections across time: simple panel data method (Ch.13)
Advanced panel data method (Ch.14)
Project presentations and written project due
Final exam

Grading Policy:
Mid-term  30%
Final Exam 30%
Project  30%
Participation  10%

※ Proposal should be submitted by the Mid-term. Proposal should cover who are team members (3-4), topic and what model to be used. Proposal should be composed of at least three pages. Each group will present their project before the Final exam. Presentation time is between 20 to 30 minutes. The project should be between 15 to 20 pages including tables and figures.