



Syllabus
ECO 330 – 11
Introductory Econometrics - 21150 -
Spring 2009

1:00 pm – TR	Business Building 1208	Feb 24, 2009 - Jun 11, 2009
2:15 pm	& Bus Computer Center	

Professor: Dr. Abdulrazzak Charbaji
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Office Hours: 12:15pm – 1:00pm TR

Course Description:

The course focuses on important applications and empirical implementations of econometric techniques. The course structure follows the philosophy of hands-on training. It covers a wide variety of applied problems often faced by economists in both public and private sectors. Every lecture inside the business computer center is followed by a tutorial session in which students would use the Excel, SPSS and / or Eviews computer software packages to solve the real world problems and carry out empirical studies.

Course Prerequisite(s):

Implementing econometric procedures involve messy calculations. In today's computerized environment, the optimal strategy in teaching econometrics places less emphasis on mathematical derivation and more on concepts and model building. For this reason, computer application is an integral part of this course and we will use three different computer software:

- Econometrics Views, or Eviews,
- SPSS, Advanced SPSS, and
- Excel

Prior programming experience is not required or expected. These computer software packages are made available to LAU business students through the School of Business Computer Center.

Required Text:

D. Gujarati, *Basic Econometrics*, McGraw Hill, Newest Edition 2009. It should be available in Antoine's Bookstore- Hamra.

Course Objectives:

The subject of **econometrics** deals with **the measurement of business and economic relationships**. Econometrics can be studied at the **applied** or **theory** level. This course will introduce you to econometric modeling and techniques with *emphasis* on **applied econometrics**. Econometric theory will also be examined with minimal emphasis on proofs and derivations. This course will provide LAU business and economic students with a variety of computer and real life applications so that they can carry out empirical work successfully in the real world in addition to theoretical background needed for taking advanced econometrics courses. To achieve a sufficient balance between applied econometrics and theoretical econometrics, the material will therefore be presented without resorting to serious calculus. As you will soon discover, econometrics is a mixture of theory, matrix manipulation, multivariate statistics, and proficiency in computer application (Eviews, Excel and/or SPSS). Using applied econometrics, LAU students can accomplish the following objectives: (1) **perform structural analysis** of the effects of exogenous factors on the endogenous variable whose behavior we seek to explain; (2) **test hypotheses** about new and existing theories; and (3) **evaluate and implement policy** in government and business using the estimated econometric model. Keeping in mind that **regression analysis** is indeed the '**heart**' of econometrics.

Means to Accomplish Objectives:

The student will be required to:

1. Participate in class discussion,
2. Attend the Business Computer Center,
3. Take final exam, and
4. Take six exams in the business computer center.

Each exam in the business computer center is worth 10 points and the final exam is worth 35 points. There are no make-ups for the exams and 5 points will be given for class participation.

Attendance & Cheating Policies :

Any student absence for more than three business computer sessions will have his/her grade lowered by one letter grade.

Anyone caught plagiarizing will receive an "F" in the course.

Course Outline:

Lectures and Computing Exercises

Textbook:

D. Gujarati, *Basic Econometrics*, McGraw Hill, Newest Edition, 2009.

Table of Contents:	Date
<p>Spring 2008 classes begin</p> <p>Lecture:</p> <ul style="list-style-type: none"> • Syllabus • Book • Course requirements 	<p><i>Tuesday February 24</i></p> <p>Business Building 1208</p>
<p>Lecture:</p> <p>Introduction: The Nature of Regression Analysis</p> <p>Gujarati's Chapter: Ch. 1 & Appendix C)</p>	<p>Thursday February 26</p> <p>Meet in computer lab</p>
<p>Lecture:</p> <p>Starting EViews, SPSS, Excel and running Two-Variable Regression Analysis: The Matrix Approach</p> <ol style="list-style-type: none"> 1. Raw Data 2. Standardized Scores 3. Matrix <p>Gujarati's Chapter 2: Exercise 2, 10</p>	<p>Tues March 3</p> <p>TH March 5</p> <p>Tues March 10</p> <p>TH March 12</p> <p>Meet in computer lab</p>
<p>Lecture : <i>First Exam 10 Points</i> TUES</p> <p>Meet in computer lab</p>	<p><i>March 17, 2009</i></p>
<p>Lecture :</p> <p>Extensions of the Two-Variable Regression Model</p> <p>Gujarati's Chapter (Ch. 6, Ch. 14) &</p> <p>Problem 7.21 P. 240-241</p> <p>Different Functional forms and its interpretations</p> <p>Example 8.3 P. 269-270 (Cobb-Douglas)</p>	<p>TH March., 19</p> <p>Tues March., 24</p> <p>Meet in computer lab</p>
<p>Lecture: <i>Second Exam 10 Points</i> TH</p> <p>Meet in computer lab</p>	<p><i>March 26, 2009</i></p>
<p>Lecture:</p> <p>Qualitative Variables and Dummy Coding</p> <p>Gujarati's Chapter: (Ch. 9, Ch. 15)</p>	<p>Tues March 31,</p> <p>TH April 2,</p> <p>Meet in computer lab</p>

Third Exam 10 Points Tues April 7, 2009 Meet in computer lab	
Lecture: Relaxing the Assumptions of the Classical Model Gujarati's Chapters: Exercise 10 – 12 1. Autocorrelation 2. Heteroscedasticity 3. Multicollinearity	 TH April 9 Tues April 14 Meet in computer lab
Lecture : Fourth Exam 10 Points TH April 16, 2009 Meet in computer lab	
Lecture : Econometric Modeling Simultaneous Equation models Time Series Models Gujarati's Chapters : 18, 19, 20	 Tues April 21 Thru Tues May 5 Meet in computer lab
Fifth Exam 10 Points TH May 7, 2009	
Lecture: Panel Data	Tues may 12 Thru TH May 14 Meet in computer lab
Sixth Exam 10 Points Tues May 19, 2009	
Lecture: VEC Models VAR Models	TH May 21 Tues Jun 9 Meet in computer lab
Last day for withdrawal from courses for spring 2009 Friday, 6/5	
Spring 2009 classes end Friday, 6/12	
Reading period Saturday, 6/13 – Monday, 6/15	
FINAL EXAM (35 points) Tuesday, 6/16 – Thursday, 6/25	

Course Requirements:

- **Six Exams (60 points)** In the business computer center, you will be asked to present results from some simple related empirical exercises (There are various assignments that are done in business computer) .
- **Final Exam (35 points)**
- **Class Participation (5 points)**

Makeup work: No makeup will be accepted.

Grading Scale:

≥ 90	A	77-79	B-	63-66	D+
87-89	A-	73-76	C+	60-62	D
83-86	B+	70-72	C	60-62	D
80-82	B	67-69	C-	≤ 59	F

Internet Sources

Association of Banks in Lebanon	http://www.abl.org.lb
Ministry of Economy	http://www.economy.gov.lb/MOETEN/index.htm http://www.economy.gov.lb/MOETEN/MOET-statistics.html
Association of Lebanese Industrialists	http://www.abi.org.lb
Banque du Liban	http://www.bdl.gov.lb/index.html
Beirut Stock Exchange	http://www.bse.com.lb
CDR Council of Development and Reconstruction - Lebanon	http://www.cdr.gov.lb
Central Administration of Statistics	http://www.cas.gov.lb
Chamber of Commerce & Industry in Sidon & South Lebanon	http://www.cciias.org.lb
Chamber of Commerce, Industry & Agriculture of Tripoli & North Lebanon	http://www.cciat.org.lb
Chamber of Commerce, Industry & Agriculture of Zahle & Bekaa	http://www.cciiaz.org.lb
Court of Audit	http://www.coa.gov.lb/english.html
Directorate General of Customs	http://www.customs.gov.lb/customs/English
IDAL	http://www.idal.com.lb
Industrial Research Institut	http://www.iri.org.lb
Lebanese Parliament	http://www.lp.gov.lb
LIBNOR, Lebanese Standards Institution	http://www.libnor.com
Middle East Airlines	http://www.mea.com.lb
Ministry of Agriculture	http://www.agriculture.gov.lb
Ministry of Environment	http://www.moe.gov.lb
Ministry of Finance	http://www.finance.gov.lb

Ministry of Foreign Affairs and Emigrants	http://www.emigrants.gov.lb
Ministry of Industry	http://www.industry.gov.lb
Ministry of Interior	http://www.interior.gov.lb
Ministry of Justice	http://www.justice.gov.lb
Ministry of Posts & Telecommunications	http://www.mpt.gov.lb
Ministry of Public Health	http://www.public-health.gov.lb
Ministry of Public Works	http://www.public-works.gov.lb
Ministry of Tourism	http://www.lebanon-tourism.gov.lb
Office of the Minister of State for Administrative Reform OMSAR	http://www.omsar.gov.lb
Solidere	http://www.solidere-online.com
Special Investment Community - Money Laundering	http://www.sic.gov.lb
Syndicate of Lebanese Food Industries	http://www.slfi.org.lb/index1.html
World Trade Center, Beirut	http://www.wtcbeirut.com/