

EC 204: Empirical Economics 2

Department of Economics
Boston University

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Summer 2020 (Session II)

Research Project

Overview

Your research project (worth 35% of the final grade) will be to perform your own regression analysis and document your findings.

What I would ultimately like to see in this paper is an estimation of the relationship between at least two variables. That is, to estimate how X influences Y . Do not take this to mean you only have to find two variables; as we will discuss extensively, omitting other variables can bias the estimated relationship between X and Y . You are welcome to deviate from this if you have a particular idea in mind that does not exactly relate two random variables (i.e. you wish to conduct a time-series forecasting exercise). Ideally, I would like for you to come up with the topic yourself. If it comes from you, chances are you will find it more interesting than if I just assigned you a topic. With that said, if you are having trouble coming up with an idea, I am happy to give you some suggestions.

Due to the compressed nature of our session, I have posted a few data sets on Blackboard for you to explore. These data have been (mostly) cleaned and can be easily imported into STATA. In general, I would like for you to use one of these data sets for your project. However if you prefer, you can work with an alternate data set (subject to my approval). If you considering taking this route though, keep in mind the cost of spending too much time looking for the "right" data set. Though data is important in the long term, finding a perfect data set rarely happens. Furthermore, it is not a good policy for you to spend the precious few weeks we have looking for data. I would rather you have a sharp question and hypothesis with a suboptimal data set rather than a great data set with little direction or thought having been put into executing the paper.

Your project must test some theory which is clearly stated in your final paper. Ultimately the goal of econometrics is to support/refute hypotheses, thus your project will be graded on the clarity of your hypothesis and your use of econometrics to test this hypothesis. I expect that you include your regression findings in your paper. Your final paper should be submitted electronically to me along with your original data and programming files.

Paper Requirements

The research paper should be at least six pages in length (double spaced). There is no maximum page limit. Instead, I am looking for a complete paper in the sense that it includes the following:

1. An introduction describing the question/issue you are addressing as well as providing a clear motivation
 - i.e. why do we care about the research question?
2. A discussion of the relevant literature that has been written on the ideas you are addressing
 - Cite at least three (3) peer-reviewed journal articles that are relevant to your question
3. A description of the theory to be tested as well as a description of how this theory fits in with the findings of the research question
 - Clearly state your null hypothesis here
4. A verbal and statistical description of your data
 - This section should tie in with your theory
 - You should answer why this data is appropriate to use for your particular question
 - Include a table of summary statistics
5. Your econometric finding
 - Discuss your initial findings as well as any corrections for violations of standard assumptions
 - Include all tables and figures related to results here
 - Be sure to include a discussion of the limitations of your finding
6. A conclusion that reviews the theory in light of your econometric findings

Working in Groups

Given the abbreviated schedule for this class, you are allowed to pair up or work in groups of no more than three (3) for this project.

Due Date and Submission Requirements

This is a big project to be undertaken in such a short amount of time. For this reason, I am setting benchmark due dates throughout the session in an effort to make sure you are not stuck writing the paper the night before it is due.

- Preliminary Ideas (5%)
 - Submit to me three potential ideas for your project
 - It will benefit you to consider a few different ideas before deciding which topic will be the one that you/your group devote the next six weeks to. I will provide you with feedback on your ideas.

- Research proposal (5%)
 - 1-2 page (double spaced) summary of the question and an idea of the data that you will use to complete the project
- Draft and Peer Review (10%)
 - I am setting aside class time for this
 - Submit a first draft which I will distribute to one of your peers
 - During class, you will peer-review someone's paper (we will discuss specific guidelines later)
 - Finally, provide me with a one-pager highlighting strengths and constructive critiques of peer's draft (submit to me and your peer)
- Final paper (15%)