

THE FLORIDA STATE UNIVERSITY
ECO 5117 - 0001
Applied Microeconomics II
Fall 2020

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Class: Tuesday & Thursday / 5:15PM - 6:30PM / BEL 0202
Office Hours: Monday & Wednesday / 4:00PM - 5:00PM

Prerequisites

ECO5114 (Applied Microeconomics I).

Course Description

This course offers students an opportunity to connect basic economic theory to empirical applications. It starts covering theoretical frameworks in the classroom and then deepen into the econometric implementations associated with the theory. All econometric applications require the student to use either **Stata** or SAS. While the student is free to choose the software to use, only **Stata** is considered in the classroom. Most of the economic theory is based on the basic constrained optimization problem and focuses on topics in labor economics. Students need a basic understanding of differential calculus to understand the constrained optimization problem. The class starts with a math review that covers the required mathematical tools. The economic implementations include the basic Ordinary Least Squares, Instrumental Variables, Difference-in-Differences, Synthetic Controls among others.

Textbook (Required)

The textbook for this course is the eBook version of:

- George Borjas. *Labor Economics*. McGrawHill, 8th edition, 2020

This eBook is part of the FSU Follett Access Opt-in Program that allows students to rent or purchase digital textbooks at a reduced cost and access them on a timely manner. To access this program's portal use the link:

- <https://ACCESSPortal.follett.com:443/OptIn/0208>.

The Canvas website for our class contains more information.

Additional Textbooks (Not Required)

Additionally students can benefit from consulting the following textbooks:

- Walter Nicholson and Christopher Snyder. *Microeconomic Theory: Basic Principles and Extensions*. Cengage, 12th edition, 2017
- Paul Newbold, William L. Carlson, and Betty M. Thorne. *Statistics for business and economics*. Prentice Hall, Boston, 8th edition, 2013
- James H. Stock and Mark W. Watson. *Introduction to Econometrics*. Pearson, 4th edition, 2019
- Jeffrey M. Wooldridge. *Introductory Econometrics: A Modern Approach*. Cengage, 7th edition, 2020

Students are not required to purchase these books and previous editions are helpful as well.

Assessment

Homework	25%
Data projects	25%
Midterm Exam	20%
Final Exam	30%

Grading Scale

94-100	A	84-86	B	74-76	C	64-66	D
90-93	A–	80-83	B–	70-73	C–	61-63	D–
87-89	B+	77-79	C+	67-69	D+	0-60	F

Homework

- Homework assignments are based on the end-of-chapter exercises from the textbook and additional exercises provided by the Instructor.
- The due date of each assignment depends on the time when the theoretical framework of each topic is finished in the classroom. It will be announced by the Instructor and posted in Canvas at least one week before the due date.
- No late assignments are allowed. Not even at a discounted grade.
 - If the student is not capable of submitting the assignment before or at the due date because of extraordinary reasons, the student needs to inform the instructor and obtain the valid documentation through the Dean of Students.

Grading of Homework

- Only ONE of the exercises in the homework assignment will be fully graded.
- The final grade for each homework assignment will depend on three factors:
 1. Presentation of homework report (10%)
 2. The number of exercises completed (30%)
 3. The grade on the selected exercise that is fully graded (60%)

Data Projects

- Throughout the semester, there are data projects related to the theoretical frameworks discussed in the classroom.
- The data projects are in the form of replications of tables of summary statistics and/or econometric analysis in research studies discussed in class.
- The data projects are done in teams. Students are randomly assigned into teams for each data project. The number of team members can vary depending on the complexity of the project.
- The data used for these projects would either be provided by the instructor or obtained directly by the team.
 - Data obtained directly by the team is from publicly available data such as the US Census or the Current Population Survey (CPS).
 - Obtaining data directly by the team is an opportunity get hands-on-experience on how to work with and clean real-world data sets.
 - All data sets consist of **micro-econometric data**, i.e. individual survey data, either cross-section or panel data.
- The number of data projects varies depending on the topics covered during the semester.

Grading of Data Projects

- Only a subset of the questions in the data project will be fully graded.
- The final grade for each data project will depend on three factors:
 1. The professionalism in the presentation of the report (20%)
 2. The number of questions completed (20%)
 3. The grade on the selected questions that are fully graded (60%)

Attendance

Attendance to class is strongly encouraged. **Excused absences must be documented with the Dean of Students.** The instructor will then receive a notification directly from the office of the Dean of Students regarding the absence.

University Attendance Policy

Excused absences include documented illness, deaths in the family and other documented crises, call to active military duty or jury duty, religious holy days, and official University activities. These absences will be accommodated in a way that does not arbitrarily penalize students who have a valid excuse. Consideration will also be given to students whose dependent children experience serious illness.

Effect of Attendance on Grades - Extra Credit!

Attendance to virtual lectures will count towards extra credit. **Students can earn up to six (6) points** that will be added to their final grade after curves and other adjustments are applied. The total extra credit points will be proportional to the number of virtual lectures attended.

Effect of Attendance Student Performance

Excessive absenteeism will have a negative impact on mastering the course material. **Lecture notes will not be provided for undocumented absences.** It is the student's responsibility to obtain these notes from classmates or consult the textbook. Students with documented absences may obtain the lecture notes from designated notetakers.

Notetakers Assistance

The Instructor will designate notetakers who will be taking notes for every lecture. Students with a documented absence may access the notes from the notetakers. Notetakers will earn six (6) extra-credit points added to their final grade after the curve and extra credit for attendance have been applied. Notetakers will be designated during the first two weeks of the semester.

Notetakers are responsible for attending all lectures as much as possible. The extra credit the notetaker earns will be proportional to the number of notes submitted, which cannot be less than 75% of the classes. If necessary, notetakers will also coordinate with the SDRC to assist classmates with notetaking assistance documented by the SDRC. If this is the case, notetakers will also earn ServScript credit.

Midterm Exam

- The midterm exam will be completed online through Canvas. The student will have a 24-hour window starting at 7:00 AM (Eastern Standard Time) of:

– **Tuesday October 20**

- The midterm exam is timed. Time to complete the exam: **75 minutes**.

No Make-Up for Midterm Exam

Students who have a legitimate reason for personal emergency are allowed to be exempt from the midterm exam.

- Excused absence must be documented with the Dean of Students and the Instructor will be contacted directly from the office of the Dean of Students.
- See section **University Attendance Policy** on this syllabus for excused absences.

In such a circumstance, the final exam will be re-weighted.

Final Exam

- The final exam will be completed online through Canvas. The student will have a 24-hour window starting at 7:00 AM (Eastern Standard Time) of:

– **Thursday December 10**

- The final exam is timed. Time to complete the final exam: **2 hours**.
- Every student should double check this time and bring any difference in interpretation to the attention of the Instructor as soon as possible. “No-refund” airline tickets for an earlier time are not an acceptable excuse for rescheduling any exam.

Online Proctoring

- Both midterm exams and the final exam are **closed-book and will be proctored through Honorlock**.
- The University is covering the costs of this service, so this will not represent an extra expense for students.

Information about Honorlock

Honorlock is an online proctoring service that allows you to take your exam from the comfort of your home. You DO NOT need to create an account, download software or schedule an appointment in advance. Honorlock is available 24/7 and all that is needed is a computer, a working webcam, and a stable Internet connection.

To get started, you will need Google Chrome and to download the Honorlock Chrome Extension. You can download the extension at www.honorlock.com/extension/install

When you are ready to test, log into Canvas, go to your course, and click on your exam. Clicking "Launch Proctoring" will begin the Honorlock authentication process, where you will take a picture of yourself, show your ID, and complete a scan of your room. Honorlock will be recording your exam session by webcam as well as recording your screen. Honorlock also has an integrity algorithm that can detect search-engine use, so please do not attempt to search for answers, even if it's on a secondary device.

Good luck! Honorlock support is available 24/7/365. If you encounter any issues, you may contact them by live chat, phone (844-243-2500), and/or email (support@honorlock.com).

Last-minute reminders for using Honorlock

- Technical preparation: Be sure to test your system and turn off extensions like spell-checkers and automatic translators, if these could cause a violation of exam policy. If you are a Mac user who has recently upgraded, you may need to re-enable screen sharing for applications like Honorlock and Zoom to work.
- When you're ready to take the exam, have a clear ID ready, perform a thorough room scan when directed, and follow all exam instructions carefully.
- Always contact Honorlock directly via the chat tool if you encounter problems during your exam. This will greatly facilitate response times and solutions.
- During the exam, try to avoid behaviors that might raise a red flag for proctors to review, such as talking aloud to someone else or having others in the room. (Honorlock's automatic proctors are so sensitive they will even flag photographs of faces in the background!)
- Remember: The FSU Academic Honor Policy and Student Conduct Code remain in force and suspected violations continue to be referred for investigation as appropriate.

Academic Honor Policy

The Florida State University Academic Honor Policy outlines the University's expectations for the integrity of students' academic work, the procedures for resolving alleged violations of those expectations, and the rights and responsibilities of students and faculty members throughout the process. Students are responsible for reading the Academic Honor Policy and for living up to their pledge to "...be honest and truthful and...[to] strive for personal and institutional integrity at Florida State University." (Florida State University Academic Honor Policy, found at <http://fda.fsu.edu/academic-resources/academic-integrity-and-grievances/academic-honor-policy>.)

Remote Teaching through Zoom

- All lectures will be held synchronously at the day and times indicated above using Zoom.
- Students are required to have their video on during Zoom calls.
 - The instructor could allow for exceptions if a student does not have a camera.
 - The student must notify the instructor as soon as possible when this is the case.

Course Outline

- This is the tentative course outline. It is subject to variations.

Topic	Textbook Chapter
Math Review	–
Econometrics Review	–
Labor Supply	2
<i>Endogeneity of OLS</i>	
<i>Selection Bias</i>	
<i>Difference-in-Differences</i>	
<i>Measurement Error</i>	
Labor Demand	3
<i>Endogeneity of OLS</i>	
<i>Instrumental Variables</i>	
<i>Difference-in-Differences</i>	
<i>Synthetic Controls</i>	
Labor Market Equilibrium	4
<i>Instrumental Variables</i>	
<i>Synthetic Controls</i>	
Education	6
<i>Omitted Variable Bias</i>	
<i>Twin Studies</i>	
<i>Instrumental Variables</i>	

- Topics in *italics* are some of the main econometric topics discussed while covering the empirical implementations covered on each chapter. The list is not exhaustive.
- While some of these topics are described in the textbook, the student might find the additional textbooks indicated above useful for these topics.
- These additional econometric topics will be included in the exams.

Americans with Disabilities Act

Students with disabilities needing academic accommodation should:

- (1) register with and provide documentation to the Student Disability Resource Center;
and
- (2) bring a letter to the instructor indicating the need for accommodation and what type.

Please note that instructors are not allowed to provide classroom accommodation to a student until appropriate verification from the Student Disability Resource Center has been provided.

This syllabus and other class materials are available in alternative format upon request.

For more information about services available to FSU students with disabilities, contact the:

Student Disability Resource Center

874 Traditions Way

108 Student Services Building

Florida State University

Tallahassee, FL 32306-4167

(850) 644-9566 (voice)

(850) 644-8504 (TDD)

sdrc@admin.fsu.edu

<http://www.disabilitycenter.fsu.edu/>

Syllabus Change Policy

Except for changes that substantially affect implementation of the evaluation (grading) statement, this syllabus is a guide for the course and is subject to change with advance notice.