

Assumption University
Department of Business Economics
Class Time: Tue 13.45-17.15
Class Room: MSM1003

Instructor: Dhanoos (Dee) Sutthiphisal
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Office Hours: Mon/Wed 8.30-9.45
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LMS: lms.au.edu/course/view.php?id=221
Class Web: www.deefred.net/Dee

**ECO 4911: SEMINAR IN ECONOMICS
MAJORS**

SECOND TERM 2011

Course Objectives

The goal of this course is to introduce you to a number of methods business persons and economists use to conduct research, and more importantly to help you develop practical skills required to conduct business and/or economic research on your own as well as to showcase your findings to other people (through giving a presentation and producing a report or a research paper).

Note that in this course, we will particularly focus on empirical research (applying statistical methods to the analysis of data) instead of its theoretical counterpart (applying mathematical modeling to the analysis of business and economic problems).

Course Prerequisites

A basic understanding of economic theory and regression analysis is essential (i.e. Econ 3711: Intermediate Microeconomics, Econ 3712: Intermediate Macroeconomics, Econ 3715: Introduction to Econometrics, and MGT 3940: Business Research Methodology).

Software

To help you gain a hands-on experience in applying the theories you learn in class to real world problems, you are required to use STATA (one of the most popular econometric software on the market) to perform empirical analyses for the course. (You need to submit your log file and/or do file along with your final paper for the course.) Although I provide a note that helps you familiarize with STATA and you can use Google to read more on most, if not all, STATA commands, you may not feel that it is enough. If so, I recommend that you obtain or read the following (any of the earlier version is fine as well).

- Christopher F. Baum, *An Introduction to Modern Econometrics Using Stata*, Stata Press, 2006 – This book discusses most of what you need for an empirical analysis with STATA.
- STATA Base Document Set, STATA Press, 2011 – This is a set of reference documents that cover all STATA commands (except someone else's own ado programs, no matter how popular they are).

Textbooks

We will not use any textbook in this course.

Language of Instruction

English is the only language of instruction for this course. This means you must communicate in English with the instructor both in and outside of classroom (such as writing the exam or seeking help during office hours). You must also speak to your classmate in English during class. (This policy is imposed to maintain the quality, and more importantly the fairness of my teaching.)

Course Requirements and Work Load

There are no exams in this course. Instead, your course grade will be based on (1) a referee report, (2) the first project (the analysis report), (3) the second project (which consists of a research proposal, the first presentation on your research proposal, the second presentation on your analysis and result of your research paper, and a research paper), as well as (4) your in-class participation.

For class participation, throughout the semester I expect you to share views with the class on the topics during lectures and during the presentation. You should be willing to give out your own opinions, such as whether you agree or disagree with the conclusions your classmates present in their presentations. I will also randomly ask your thoughts on the required readings. (As a result, it is in your best interest to read the required readings before class.) Your participation mark depends on both the quality and frequency of your participation. Note that I will treat your absence from classes worse than your presence in class with no participation in the discussion or failure to answer my questions.

See the deadlines and how to submit your work, as well as instructions for each course requirement (except class participation) on the following pages.

I will be happy to provide some assistance to your work during my office hours. Also, if you hand in your draft at least 2 weeks before the deadline, I will give you suggestions that may help increase your grade.

As you can see from the above requirements, this is a highly demanding course (even though there are no exams). It is also a course that you need to constantly work on throughout the semester.

Class Notes and Readings

Class notes and readings will be posted on the Class Web. Use them at your own risk. I have tried to eliminate typing errors when preparing these materials. However, it is very likely that there are still (a few) errors in the notes. You must use your own judgment when utilizing these materials. (I would appreciate it if you could let me know where the errors are so that the future generation of students can benefit from better class materials.)

This course requires a lot of work. Some of the materials we cover may seem insurmountable for you at first. But, I believe that my learning-by-doing teaching style will help you master even the most complex concepts that we will cover. The assigned work will help you see a bigger picture of how you can apply what you learn in class to an actual real world problem. The required readings will also be helpful in understanding course materials. Here is the list of readings. (Some of the citation styles below may not be correct. I am just too lazy to fix them here, sorry. See Lecture Note 7: Writing an Empirical Research Paper for the correct citation styles. Also, see class schedule for when we will cover each reading.)

- Acemoglu, Daron, Simon Johnson, and James A. Robinson, “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review* 91 (Dec. 2001): 1369-1401.
- Engerman, Stanley L., and Kenneth L. Sokoloff, “Factor Endowments, Inequality, and Paths of Development among New World Economies,” *Economia*, 3 (Fall 2002): 41-102.
- Greif, Avner, “Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies,” *Journal of Political Economy* (October 1994).
- Jaffe, Adam B., Manuel Trajtenberg, and Rebecca Henderson, “Geographic Localization of Knowledge Spillovers as Evidenced by Patent Citations,” *Quarterly Journal of Economics* 108, No. 3 (1993), 577-598.
- Lo, Shih-tse, and Dhanoos Sutthiphisal, “Crossover Inventions and Knowledge Diffusion of General Purpose Technologies: Evidence from the Electrical Technology,” *Journal of Economic History*, Vol. 70, No. 3 (September 2010), pp. 744 – 764.
- Sutthiphisal, Dhanoos, “Learning-by-producing and the Geographic Links between Invention and Production: Evidence from the Second Industrial Revolution,” *Journal of Economic History* (Dec. 2006)
- Lo, Shih-tse, “Strengthening Intellectual Property Rights: Experience from the 1986 Taiwanese Patent Reforms,” *International Journal of Industrial Organization*, Vol. 29, No. 5 (2011), pp. 524-536
- Sakakibara, Mariko, and Lee Branstetter, “Do Stronger Patents Induce More Innovation? Evidence from the 1998 Japanese Patent Law Reforms,” *RAND Journal of Economics*, Vol. 32, No. 1 (Spring 2001), pp. 77-100.
- Moser, Petra, “How Do Patent Law Influence Innovation? Evidence from the Nineteenth-Century World’s Fairs,” *American Economic Review* (September 2005).
- Lo, Shih-tse, and Dhanoos Sutthiphisal, “Does It Matter Who Has the Right to Patent: First-to-invent or First-to-file? Lessons from Canada,” *NBER Working Paper* 2009.
- Lerner, Josh, “150 Years of Patent Protection,” *American Economic Review Papers and Proceedings*, Vol. 92. No. 2 (May 2002), pp. 221-225.
- Alvarez-Cuadrado, Francisco, Jose Maria Casado, Jose Maria Labeaga, and Dhanoos Sutthiphisal “Envy and Consumption Behavior: A panel data approach,” Mimeo, 2010.
- Henrich, Joseph, Robert Boyd, Samuel Bowles, Collin Camerer, Ernest Fehr, Herbert Gintis, and Richard McElreath, “In Search of Homo Economicus: Behavioral Experiments in 15 Small-Scale Societies,” *American Economic Review Papers and Proceedings*, Vol. 91. No. 2 (May 2001), pp. 73-79.

Office Hours

Regular office hours are listed on the first page. In addition, instead of the regular Tuesday classes on January 31, February 14, 21, and 28 as well as March 13, I will provide additional consultation to your second project work at my office. However, you should not let questions accumulate until the week before the due date to submit your work. It is not healthy to panic at the last minute and it is difficult to work things out under pressure.

For students with a legitimate time conflict with the office hours, you can make an appointment with me by email when you need help.

Communication Policies

In addition to office hours, please feel free to ask me questions via the Internet. I encourage you to use the forum function in the Learning Management System (LMS) to ask me questions since they may also benefit your classmates. Should you need to contact me via email, please use the email address stated on the first page. You must write the course number and title (Econ 4911: Seminar) on the email subject. Please do not contact me via any other email addresses (e.g. the au.edu one). I will not open any email without the proper subject heading, nor will I respond to an email sent to my other email addresses. For the night before each due date, I will answer your emails if and only if I receive them **BEFORE 10 PM.**

If there is an important announcement (e.g. extra office hours), I will make it on LMS News and Announcements forum. To be able to receive my announcements, you need to be enrolled in the class LMS. Also, make sure your LMS profile has your current email address.

Grade Appeals

If you are not satisfied with how your work is graded, you may submit a grade appeal in writing. If you choose to do so, your entire work will be reviewed. There will not be a partial re-grading, and you may receive a lower grade after the appeal.

Grade Assignment

You will receive a letter grade for each course requirement based on a class distribution. The grade you receive for this course will be from the scheme below.

<u>Scheme</u>		<u>Letter Grade</u>	<u>Numeric Grade</u>	<u>Course Grade Lower Bound</u>
Participation	10%	A	4.00	3.875
Referee Report	15%	A-	3.75	3.500
Analysis Report	15%	B+	3.25	3.125
Research Proposal	15%	B	3.00	2.875
First Presentation	5%	B-	2.75	2.500
Second Presentation	5%	C+	2.25	2.125
Research Paper	25%	C	2.00	1.875
Final Presentation	10%	C-	1.75	1.500
		D	1.00	0.875
		F	0.00	0.000

For example, suppose you receive a B- for the participation, a C for the first presentation, an A- for the second presentation, a B for the referee report, a B+ for the analysis report, an A for the research proposal, and a C+ for the research paper. The scheme above will give you: $2.75 \times 0.10 + 2 \times 0.05 + 3.75 \times 0.05 + 3 \times 0.15 + 3.25 \times 0.15 + 4.0 \times 0.15 + 2.25 \times 0.35 = 2.8875 < 3.125 \rightarrow$ a B. Hence, your course grade would be a B.

Submission Deadlines and Late Penalties

Extensions for submission of the referee report, the analysis report, the research proposal and the research paper will only be given in cases of illness, where a medical certificate is provided. You need to submit a hard copy of each written assignment to me (for grading purpose) as well as an electronic version to TurnItIn.com (to verify authenticity). (Using TurnItIn.com will help me focus my grading on your ideas rather than putting an effort to check the authenticity of your work. Hence, I can give you the mark fairly and promptly.)

The referee report is due on Tuesday December 20. The analysis report is due on Tuesday January 10. The research proposal is due on Tuesday February 7. The research paper is due on Friday March 16. You must submit an electronic version of your work to TurnItIn.com by 9am (Bangkok time) of the due date. Exclude tables, figures and appendix from your electronic submission. The hard copy can be submitted after 9am but must be before 5pm of the due date.

Only one submission is needed for a group. However, you need to list the names of the team members as well as their student IDs clearly. Also, if you encounter a problem with your TurnItIn submission on the due date, send me an email with your work file(s) as attachment. I will use the electronic time stamp as an evidence that you submit your work on time and we will settle the TurnItIn submission later.

A late electronic submission will lose three letter grades a day (each 24-hour period from the deadline) including during the weekend. For example, suppose you earn an A- for the referee report that was 1 day late. Your referee report grade will be a B- instead of an A-. (Your work will be first assigned points without considering whether you are late or not. Then, the mark down will be applied.) No work will be accepted after 9am of the 5th day after the due date. (Except in cases where a medical note has been supplied AND you have made arrangements with me in advance.)

Failure to use TurnItIn.com to submit your work will result in a mark of zero for that assignment.

Academic Integrity

The instructor and Assumption University value and enforce academic integrity. All students must understand the meaning and consequences of cheating, plagiarism and other academic offences. See the required Supplementary Note 1: Academic Integrity for more information.

Policies for Those Affected by the Flood

It is very likely that most (if not all) students taking this course are affected by the 2011 Thai Flood. Therefore, I am offering an alternative to the required 10% class participation. This policy is applicable to anyone in the class, regardless of their flood situation.

Your class participation will be graded according to p. 2 of the syllabus. But, I will assign two grades for your class participation. The first grade is based on your participation during the entire semester. The second grade will be based on your participation on the two mandatory presentation days (February 7 and March 6). I will then use the best grade of out the two when I calculate your course grade.

Course Schedule

Dates for topics to be covered are tentative and subject to changes. You are expected to read all required readings marked. LN = Lecture Note. SN = Supplementary Note.

Class No	Date	Topics	Remarks	Required Readings
1	Tue Nov 29	Introduction	<ul style="list-style-type: none"> • Academic integrity • Theory vs. empirical research • Reduced form vs. structural form • Overview of how to carry out an empirical research (posing a research question, literature review, data collection, (econometric) analysis, writing an empirical paper) • Feedback loop/Bayesian update 	<ul style="list-style-type: none"> • LN1: Introduction • SN1: Academic Integrity • SN2: How to Read an Empirical Paper
1	Tue Nov 29	Posing a Research Question	<ul style="list-style-type: none"> • Types of questions by fields • Types of questions by methodology • What is a good research question 	<ul style="list-style-type: none"> • LN2: Posing a Research Question

Class No	Date	Topics	Remarks	Required Readings
2	Tue Dec 6	Literature Review	<ul style="list-style-type: none"> • Sources • How to write referee report 	<ul style="list-style-type: none"> • LN3: Literature Review
2	Tue Dec 6	Sample Research Papers	<ul style="list-style-type: none"> • Question type: developing a theory to explain empirical phenomenon • Theoretical vs. empirical approach • Natural experiment vs. instrumental variable approach • Contemporary vs. historical data 	<ul style="list-style-type: none"> • Acemoglu, Johnson, and Robinson (AER 2001) • Engerman and Sokoloff (Economia 2002) • Greif (JPE 1994)
3	Tue Dec 13		<ul style="list-style-type: none"> • Question type: testing an existing economic theory 	<ul style="list-style-type: none"> • Jaffe et. al (QJE 1993) • Lo and Sutthiphisal (JEH 2010) • Sutthiphisal (JEH 2006)
3	Tue Dec 13		<ul style="list-style-type: none"> • Question type: policy evaluation 	<ul style="list-style-type: none"> • Lo (IJIO 2011) • Sakakibara and Branstetter (Rand 2001) • Moser (AER 2005)
4	Tue Dec 20		<ul style="list-style-type: none"> • Question type: policy evaluation • Econometric specification for policy analysis • Case study vs. country comparison 	<ul style="list-style-type: none"> • Lo (IJIO 2011) • Lo and Sutthiphisal (NBER 2009) • Lerner (AER Papers and Proceedings 2002)
4	Tue Dec 20		<ul style="list-style-type: none"> • Question type: quantifying key parameter • Methodology: using experimental data 	<ul style="list-style-type: none"> • Alvarez et. al (Mimeo 2010) • Henrich et. al (AER Papers and Proceedings 2001)

Class No	Date	Topics	Remarks	Required Readings
5	Tue Dec 27	Data Collection	<ul style="list-style-type: none"> • Sources • Ready-made data vs. collecting them on your own • Unit of observation (country vs. state, patent vs. inventor, firm vs. inventor) • Cross-section vs. panel vs. time series • Data set size • Data management (inputting, storing, cleaning) • Natural experiment • IVs 	<ul style="list-style-type: none"> • LN4: Data Collection
5	Tue Dec 27	Data Analysis	<ul style="list-style-type: none"> • Theoretical model • Empirical/econometric model • Estimation methods • Treatment vs. control • IVs • Robust checks 	<ul style="list-style-type: none"> • LN5: Data Analysis
6	Tue Jan 10	Writing a Research Proposal	<ul style="list-style-type: none"> • Organization 	<ul style="list-style-type: none"> • LN6: Writing a Research Proposal
6	Tue Jan 10	Writing an Empirical Research Paper	<ul style="list-style-type: none"> • Organization 	<ul style="list-style-type: none"> • LN7: Writing an Empirical Research Paper

Class No	Date	Topics	Remarks	Required Readings
X1	Fri Jan 6	Advanced STATA Tutorial	<ul style="list-style-type: none"> • Collapse • Do-file • Observation shifting 	<ul style="list-style-type: none"> • LN8: Advanced STATA Tutorial
7	Tue Jan 31	Proposal Consultation	<ul style="list-style-type: none"> • No class. • Extra office hours at office 	
8	Tue Feb 7	Proposal Presentation	<ul style="list-style-type: none"> • 15 presentations at 20 minutes each 	
9	Tue Feb 14	Analysis and Result Consultation	<ul style="list-style-type: none"> • No class. • Extra office hours at office 	
10	Tue Feb 21		<ul style="list-style-type: none"> • No class. • Extra office hours at office 	
11	Tue Feb 28		<ul style="list-style-type: none"> • No class • Extra office hours at office 	
12	Tue Mar 6	Analysis and Result Presentation	<ul style="list-style-type: none"> • 15 presentations at 20 minutes each 	
13	Tue Mar 13	Final Paper Consultation	<ul style="list-style-type: none"> • No class • Extra office hours at office 	
X2	Fri Mar 16	Final Presentation	<ul style="list-style-type: none"> • 15 presentations at 20 minutes each 	