

Economics 574
Term Paper Assignment

“You haven’t told me yet,” said Lady Nuttal, “What it is your fiance does for a living.”

“He’s a statistician,” replied Lamia, with an annoying sense of being on the defensive.

Lady Nuttal was obviously taken aback. It had not occurred to her that statisticians entered into normal social relationships. The species, she would have surmised, was perpetuated in some collateral manner, like mules.

“But Aunt Sara, it’s a very interesting profession,” said Lamia warmly.

“I don’t doubt it,” said her aunt, who obviously doubted it very much. “To express anything important in mere figures is so plainly impossible that there must be endless scope for well-paid advice on how to do it. But don’t you think that life with a statistician would be rather, shall we say, humdrum?”

Lamia was silent. She felt reluctant to discuss the surprising depth of emotional possibility which she had discovered below Edward’s numerical veneer.

“It’s not the figures themselves,” she said finally, “It’s what you do with them that matters.”

K.A.C. Mandeville, *The Undoing of Lamia Gurdleneck*

A brief (10-15 pages) term paper will be expected from each student by Noon, Friday, May 8. The paper may take one of three forms:

- a theoretical note on some aspect of econometrics we have touched upon in class, an elaboration of one of the problems for example.
- an empirical note which explores the application of a technique we have considered on a “real” data set.
- a critical survey of recent developments in a relevant niche of the econometrics literature, the emphasis here should be on the word *critical*. You should try to offer some guidance on where the literature should go from here.

Writing papers is an essential part of what we “do” as professional economists. There is a “knack” to writing papers (compare Richard Lester’s 1965 movie “The Knack”). There are several guides to writing academic papers of various sorts. I particularly recommend the material collected for Don Knuth’s 1987 course at Stanford and available from [http:](http://)

[//www-cs-faculty.stanford.edu/~uno/klr.html](http://www-cs-faculty.stanford.edu/~uno/klr.html), the papers in Paul Halmos collection *Selecta: Expository Writing*, and various entries linked to Terence Tao's blog <http://terrytao.wordpress.com/>. You would also do well to begin to learn L^AT_EX, or even better the literate programming tools embedded in Sweave that enable you to interweave text and R code to produce figures and tables. An introduction to these methods is provide in a recent paper that I've done with Achim Zeileis, and available from <http://www.econ.uiuc.edu/~roger/research/repro/>. As a final example of useful meta-econometric advice you might want to consult http://www.bus.lsu.edu/hill/writing/abadir_magnus.pdf which contains advice about econometric notation; most of it good.

While I don't encourage *purely* "monte carlo" papers, some simulation *aspect* is encouraged. To avoid potential misunderstandings about paper topics, I would like all students to submit a 1-page "paper proposal by March 20. This is the last day of class before spring break. These proposals should contain at least three relevant references to literature and a brief sketch of what you propose to do in your paper. This year I am hoping to introduce more plausible term paper topics earlier in the semester than in prior years. Some suggestions for paper topics will appear (eventually) on the class web page, and the suggested text by Angrist and Pischke offers some other good suggestions.