

“It is easy to lie with statistics, but it is easier to lie without them.”

Charles Frederick Mosteller

**ECON 57: ECONOMIC STATISTICS
SPRING 2010, POMONA COLLEGE**
[HTTP://WWW.ECONOMICS.POMONA.EDU/SLAVOV/ECON57](http://www.economics.pomona.edu/slavov/econ57)



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Office hours: Monday 3-4 pm, Tuesday 2-3 pm, Wednesday 3-4 pm

Prerequisites:

While this course does not have any formal prerequisites, Calculus I (Math 30 or equivalent) is strongly recommended.

What is this course about?

Econ 57 is a course in basic probability and statistics. It will give you the toolbox you need in order to understand and apply the econometric models taught in Econ 107 (or 167).¹ Our course will consist of three major segments: describing and displaying data, probability theory, estimation and inference. Since this is an economics course, we will use examples relevant to economics, finance, and business in order to support our discussions. By the end of the semester you should be able to “do anything with statistics, except lie, cheat, steal, and gamble.” (The quote comes from Gonick and Smith’s wonderful book The Cartoon Guide to Statistics.)

Despite, its mathematical roots, statistics is as much an art as it is a science. It is the art of making decisions in the face of uncertainty and incomplete information. Statistics is ultimately a rhetorical device – it gives you a toolbox you can use in order to be more persuasive. Good statistical analysis is ultimately not about mathematical rigor but about clear and careful thinking.

Lectures:

We will meet every Monday and Wednesday in Hahn 108. The morning section meets at 11:00 am. The afternoon section meets at 1:15 pm.

Required books:

Ayres, Ian. Super Crunchers. Bantam Dell, 2008.
Taleb, Nassim. The Black Swan. Random House, 2007.

¹ By the way, if you are an economics major, I strongly recommend that you take Econ 107 (or 167) next semester.

Recommended book:

Freund, John, and Benjamin Perles. Modern Elementary Statistics. 12th edition. Pearson Prentice Hall, 2007. (*Earlier editions will do just fine as well.*)

<u>Grading:</u>	Short writing assignments (best 12 out of 14)	10%
	Homeworks (best 5 out of 7)	10%
	Term paper (proposal and final draft)	15%
	Midterm	20%
	Final	40%
	Class attendance and participation	5%

So far, so good, but always make sure you read the small print:

The short writing assignments will be based on chapters from Ayres' and Taleb's books. You will find the schedule of readings on the next page. Each Monday, you will have a short writing assignment due in class. The format for these assignments is flexible. Think of them as your reading notes. You may discuss the central points of the reading, its most illuminating insights, any disagreements you may have with the author, anything that puzzles you. Each assignment should be typed and about 1-2 pages long.

Assignments are due in class. I will not accept them before or after class, or over e-mail. If you are registered for the morning section, you cannot submit your assignment in the afternoon one (and vice versa). Please read the underlined passage again.

The due dates for the homeworks will be as follows: February 4, February 18, March 4, April 1, April 15, April 22, April 29 (all Thursdays). Homeworks will be due by noon that day in a box outside my office (Carnegie 207). Late homework will not be accepted. It is your responsibility to plan accordingly and submit your homework on or before the due date and time.

Use your freebies wisely. Save them for illness, travel, crunch in other classes, religious observances, or any other unanticipated emergency.

For the term paper, you will turn in a short proposal on April 14. The final draft of your term paper will be due on May 5. More detailed guidelines on the term paper will be provided later.

The midterm will take place on March 10 (Wednesday), during regular class time. There will be no alternate midterm dates.

The final exam for the morning section will be on Tuesday, May 11, at 9:00 am.

The final exam for the afternoon section will be on Friday, May 14, at 2:00 pm.

The final exam will be cumulative. Both the midterm and the final will be closed-book, closed-notes tests. If you are registered for the morning section, you cannot take either test with the afternoon section (and vice versa).

I will drop your midterm score if you do better on the final exam. Under this scenario, the final will count for 60 percent of your course grade. You are allowed to skip the midterm. If you do, its weight will be transferred to the final, which will then count for 60 percent of your grade. I strongly recommend against

taking this strategy – it is risky and courts academic disaster. I urge you to take the midterm – it will never hurt your grade and can only help.

Take a careful look at all dates listed above. If you cannot reconcile them with your travel plans and other commitments, you should drop this class.

Finally, if you have a documented disability and wish to discuss academic accommodations, please contact me as soon as possible. To request academic accommodations due to a disability, please contact Dean Marcelle Holmes if you are a Pomona student. She can be contacted via e-mail at mdc04747@pomona.edu or at 909-607-2147. If you attend another one of the Claremont Colleges, please contact your home college's disability officer: Rochelle Brown (Pitzer), Jill Hawthorne (Scripps), Maggie Browning (Harvey Mudd), or Julia Strong (CMC).

Communication:

The course has a web page where I will post homeworks and solutions, short readings, a calendar for the semester, links, and other materials. The address is:

<http://www.economics.pomona.edu/Slavov/econ57>

Course outline:

We will aim to cover the entire Freund-Perles textbook, excluding Chapters 15 and 18.

Schedule of readings for the short writing assignments:

January 25: Introduction and Chapter 1 in Ayres

February 1: Chapters 2 and 3 in Ayres

February 8: Chapters 4 and 5 in Ayres

February 15: Chapters 6 and 7 in Ayres

February 22: Chapter 8 in Ayres

March 1: Prologue, Chapters 1 and 2 in Taleb

March 8: Chapters 3, 4, and 5 in Taleb

March 22: Chapters 6 and 7 in Taleb

March 29: Chapters 8 and 9 in Taleb

April 5: Chapters 10 and 11 in Taleb

April 12: Chapters 12 and 13 in Taleb

April 19: Chapters 14 and 15 in Taleb

April 26: Chapter 16 in Taleb

May 3: Chapters 17, 18, 19, and Epilogue in Taleb