ECON 499 Senior Honors Thesis
Purdue University
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Course Description

In this course students will complete a senior honors thesis and present their findings in a workshop setting. The honors thesis is expected to be a high quality economics research paper. The research paper must contain an original analysis of an interesting economic question.

Prerequisites

Most students choose to write an empirical paper, so students are required to complete ECON 360 before taking this course.

Course Objective

The objective of this class is to teach students how to successfully complete an economic research project and describe their analysis in a research paper. I am much less concerned about the research paper's contribution to the literature than I am about the quality of the research paper itself. For this reason, I do not expect students to complete a literature review until near the end of the semester. A good research question for this course is both interesting and answerable using available data, but it does not need to be a new question that has never been studied previously (good luck even thinking of a question that has never been studied). If you discover during the semester that another researcher has already studied a very similar topic or even the same exact question, this will not adversely affect your grade. Your grade will be based on the quality of your work alone. This implies that you may not copy another researcher's work. You must obtain the raw data yourself. You are not permitted to ask other researchers for data! If you choose to complete a theoretical economic research paper rather than an empirical paper, you will need to discuss with me how the assignments will be altered.

List of Assignments

You must email the assignments to both the professor and the teaching assistant before 11:59 pm on the specified day. You are welcome to turn in your assignments early. Late assignments will not be accepted for credit.

September 6 (Saturday) - Description of Three Research Ideas

Email the professor and the teaching assistant a description of three research ideas you are considering. Even if you are already certain about the topic of your paper, you must submit three or more research ideas. For each research idea you should answer four questions: (1) What is the research question? (2) Why is this research question interesting? (3) What data would you need to answer this research question? (4) Where might you be able to obtain this type of data?

September 27 (Saturday) - Summary Statistics

Email the professor and the teaching assistant a description of the research question you have chosen and the data you have obtained in order to answer the research question. List the primary specification of the regression equation you will estimate. Include a professional-looking (ready for an academic journal) table of summary statistics (number of observations, mean, standard deviation, minimum, and maximum) of all relevant variables.

October 11 (Saturday) - Methods, Data, and Results

Email the professor and the teaching assistant a first draft of the Methods, Data, and Results sections of your paper. It should be between 10 and 25 pages in length (including figures and tables) and should contain the following elements:

- **Econometric Methods** Write and discuss the primary regression model. Why is this specification appropriate in answering your research question? Describe the threats to obtaining an unbiased estimate of the parameter of interest. What additional methods will you use to address these identification threats? What additional econometric specifications will you run as robustness checks?

- **Data** Describe the data you use. Include a summary statistics table. Describe any data issues as well as what methods you will use to correct these issues.

- **Results** Report the results in professional-looking (ready for an academic journal) tables and describe them. Comment on the interpretation and how your results answer the research question. Discuss the plausibility of the parameter estimates and explain the magnitude of the estimated effect.

November 1 (Saturday) - Literature Review

Email the professor and the teaching assistant a four-page literature review. You must review 6 papers: your own paper and five other related papers. You should select paper that have been published in high-quality economics journals. For each paper give the citation and then answer the following questions:

- What is the research question?
- What data is used?
- What methods are used?
- What are the results/conclusions?

Give a half a page to each paper and then use the final page to describe how your paper fits within the literature. Discuss what changes you could make to increase the contribution of your paper relative to that of the other papers you reviewed.

November 17 (Monday) - Second Draft

Email the professor, the teaching assistant, and both students assigned to review your paper a second draft of your research paper. This draft should have the following sections:

Introduction - State the research question and explain why the question is interesting. Explain how your research fits into the literature. Give a preview of the results.

Theoretical Framework (optional) - Explain what economic theory has to say about your research question. Include a simple theoretical model or describe what economic theory predicts. You may choose to combine this section into the introduction if the discussion of the theory is brief.

Econometric Methods - Write and discuss the primary regression model. Why is this specification appropriate in answering your research question? Describe the threats to obtaining an unbiased estimate of the parameter of interest. What additional methods will you use to address these identification threats? What additional econometric specifications will you run as robustness checks?

Data - Describe the data you use. Include a summary statistics table. Describe any data issues as well as what methods you will use to correct these issues.

Results - Report the results in professional-looking (ready for an academic journal) tables and describe them. Comment on the interpretation and how your results answer the research question. Discuss the plausibility of the parameter estimates and explain the magnitude of the estimated effect.

Conclusion - What is the research question and why is it interesting? How does the paper fit into the literature? What is the major threat to identification and what do you do to address it? Summarize the research results and the interpretation, do not introduce anything new in this section.

This draft should incorporate the comments you received in response to your first draft.

November 24 (Monday) - Two Peer Review Referee Reports

You will be assigned to read two of your classmate's papers. This assignment will be made later in the semester. Then you will write a referee report for each paper. Email the two referee reports to the teaching assistant and email each referee report to the relevant student. A referee report is generally two pages in length and should have three sections:

- All reports should begin with a brief summary of the author's central thesis and should place it in the correct context. Write neutrally as you might if you were recording information for a senior professor. Answer the question, "what did the author of this paper view themselves as doing?" Your summary of the paper is a way of establishing your credibility with the author who want to know if you have carefully studied the paper. This section is generally a paragraph or two in length.

- In the next section you should answer two questions: (1) Are the methods used to answer the research question appropriate? and (2) What is the contribution of this paper to the literature? You should also describe any critical problems with the paper including places where the logical argument is not tight, the econometric tools are inappropriate, the conclusions are incorrect, or the contribution is inaccurately described. Consider if there is an alternative theory that is better suited that the author has ignored. Comment on whether you found the paper convincing. This section is generally less than a page in length.

- In the last section you should comment on areas where the paper was hard to follow, derivations were obscure, or empirical work was incompletely described. Most referees divide this into two subsections. In the first, describe larger issues and what could be done to resolve them. In the second, list smaller problems (typos, spelling errors, grammatical issues) by page number. Look for references to the literature that are incorrect. Your writing should be polite; your goal is to provide helpful advice which would make the paper easier to understand.

December 1 (Monday) & December 3 (Wednesday) - Presentations

Each student in the class will give a 25-minute presentation. All students are required to attend the presentations. Dress is business casual. Students should use slides in their presentation. The last 5 minutes of the 25-minute presentation should be left for questions.

December 12 (Friday) - Final Draft

Email the professor your final draft. It should be between 15 and 30 pages in length (including figures and tables). The final draft should incorporate the suggestions made throughout the course, including suggestions made during the presentation. The writing should be clear and free of typos.

Grading

The grade for this course will be based the quality of the assignments with the weights indicated:

- Description of 3 or 4 Research Ideas (5%)
- Summary Statistics and Research Description (10%)
- First Draft (15%)
- Literature Review (10%)
- Second Draft (10%)
- Two Peer Review Referee Reports (10%)
- Presentation (10%)
- Final Draft (30%)

Feedback

You will receive feedback on each assignment from either the professor or the teaching assistant. Each week, you will have the opportunity to meet with either the professor or the teaching assistant. We will help you to write a high quality research paper.

Incomplete List of Past Honors Thesis Titles

The effect of alcohol tax on alcohol consumption, drunk driving and binge drinking; Trash disposal and the recycling industry; Effects of elimination of national border drug enforcement efforts; Determining the value of major league baseball players; Effect of monetary policy on prices and other variables; Reciprocal trade reduction strategy with and without "most favored nation" clauses; Determination of exchange rates: Japan versus U.S. 1975-1990; The effects of the U.S.-Canada fair trade agreement on the allocation of manufacturing plants; A comparison of health care performance; A study of the monetary approach to exchange rate determination; The effects of R&D and firsts on price, quantity, and profits on firms in the high technology market; Factors that influence foreign direct investment; Forecasting economic aggregates using alternative monetary series; Evidence on the impact of natural disasters on personal financial distress And bankruptcy; Asset bubbles: theory and recent evidence from U.S. and Japanese stock markets; Analysis of the efficient market hypothesis: the Jim Cramer case; Has the Euro evolved as an international currency?; Determining the value of NFL quarterbacks; The value of automotive factors between segments; A study of equilibrium licensing fee in strategic bargaining; FDI as a factor of globalization and its effects on wages in least developed countries;

Student Code of Honor

The purpose of the Purdue University academic community is to discover and disseminate truth. In order to achieve these goals, the university commits itself towards maintaining a culture of academic integrity and honesty. For this to be possible, self-discipline and a strong desire to benefit others must be present within each individual. Therefore, we students must follow the Regulations Governing Student Conduct of Purdue University out of a sense of mutual respect, rather than out of fear of the consequences of their violation.

Academic Dishonesty

Academic dishonesty of any kind will not be tolerated. Purdue University policies define dishonesty as cheating, plagiarism, knowingly furnishing false information to the University, lying, using substitutes for taking examinations, illegal cribs, copying during examinations, and /or knowingly aiding or abetting another party in committing a dishonest act. If you are unsure whether your actions would be considered cheating, please ask the instructor first.

In Case of Emergency

In the event of a major campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances.

Incomplete

A grade of incomplete is given only if all four of the following conditions are satisfied: (1) the student's course work is interrupted by unavoidable absence or other causes beyond the student's control, (2) the work was passing at the time it was interrupted, (3) completing the work does not require the student to repeat the course, and (4) the Dean of Students gives a recommendation that the circumstances warrant a grade of incomplete.