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(Programming and data questions should be addressed to the Research Assistant. Other questions related to overall research idea, the topic, the theoretical and empirical methods applied should be addressed to the Professor.)

## **Econ 499: Senior Honors Thesis**

The Senior Honors Thesis course is described by the Purdue catalogue as a course that requires "execution by economics honors students of a senior honors thesis" and "presentation of the findings in a seminar or workshop setting." The typical research project is expected to be a high quality paper that is characterized by the following elements:

- a lengthy, detailed discussion of the economics literature (journals, books, monographs, etc.) that relates to the topic considered;
- a theoretical model that carefully builds upon or adapts current economic theory to the question at hand;
- an empirical test of the economic model that demonstrates management of a data set and that uses appropriate econometric techniques;

Please note that you have 3 choices: you can either work on an entire theoretical project, or an entire empirical project, or on a project that is characterized by both elements. A detailed discussion of the literature, however, always needs to be part of your project.

The grade for the course will depend upon:

- the quality of the research paper (theory and/or empirical work, and literature review);
- participation in the course, which includes the quality of your proposal and thesis presentations as well as the quality of your critiques of classmate proposals; and
- meeting the deadlines set for the various stages of the research project. (Note that no exceptions will be made with regard to these deadlines.)

Possibly the most difficult part of the course will be the initial choice of a topic for the paper. In this regard, meetings between the research assistant and faculty adviser and each of the participants are recommended during the first three weeks of the semester. Prior to this meeting, it is up to each participant to identify several topics that could serve as the basis for the thesis. Some may find it useful to browse through recent economics journals contained in the Krannert library, review topics they found particularly interesting in previous economics courses, talk to members of the faculty, and/or obtain from the faculty adviser some ideas to work on. You should also have a look at available databases in the Krannert library. Those existing databases may facilitate the search for ideas.

A list of prior topics that have been chosen by students in Econ 499 is provided below. Note that previous honors theses are posted on my personal webpage (go to <http://www.mgmt.purdue.edu/faculty/rsiebert/econ499.asp>). You should have a look at the papers in order to get a good idea how the paper is supposed to be structured.

**Please note that research is an uncertain process. It is not feasible to start working on your tasks a few days prior to the deadline! Research is a continuous process and should be performed every day throughout the semester!!!!**

## Roadmap and Deadlines

**1) First Class Meeting: TBA.** Introduction of the course structure, aims and objectives. Syllabus is introduced and meeting times are determined.

**2) Second Class Meeting: Introduction to Working with Stat, TBA. Meeting in Research Lab, KRAN 7<sup>th</sup> floor.** (Information as to the location of this meeting will be provided via email).

### **3) Deadline for Proposal: TBA**

After you found a topic to work on, the next step will be to write a short, typed proposal (2-4 pages) describing the nature of the research project to be undertaken. This proposal should contain the following information:

- identification of the basic question(s) to be addressed by the research;
- an explanation of why such question(s) are important or interesting (including references to related research);
- an outline of the theoretical approach to be taken in addressing these questions;
- identification of the source(s) of data for any planned empirical tests.

### **4) Intensive Work Phase on Research Project**

Students will work on their research paper. **Each participant has to meet with the faculty supervisor or the Research Assistant (at least every two weeks, this is mandatory) to ask questions receive feedback, report progress, discuss any problems or difficulties encountered.**

(Programming and data questions should be addressed to the Research Assistant. Other questions related to overall research idea, the topic, the theoretical and empirical methods applied should be addressed to the Professor.)

The meeting times for these meetings needs to be arranged by the student and the supervisor or research assistant via e-mail.

**5) Deadline for the first draft of your thesis: TBA**

One hard copy should be put in my mailbox and a electronic version sent via e-mail.

**6) Deadline for the second draft of your thesis: TBA**

One hard copy should be put in my mailbox and a electronic version sent via e-mail.

**7) Third Class Meeting: present Final Work, TBA** (Information as to the location of this meeting will be provided via email). Each participant will present his/her work. The presentation of your thesis should last 20 minutes, with additional time allotted for questions.

**8) Deadline for the completed, typed research paper: TBA**

The completed, typed research paper (one hard copy should be put in my mailbox and a electronic version sent via e-mail). The paper should incorporate comments and suggestions arising from the critiques as well as those made during the presentations.

**Length of the paper: 20-40 pages (1.5 line spacing) plus Appendix**

## **Examples of Past Honors Theses**

Trash Disposal and the Recycling Industry  
 Effects of Elimination of National Border Drug Enforcement Efforts  
 Determining Value of Major League Baseball Player (focus on free agents)  
 Effect of Monetary Policy on Prices and Other Variables  
 The Collapse of the Savings and Loan Industry  
 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  
 The Compensation Structure in Major League Baseball  
 A Comparison of Health-Care Performance  
 A Study of the Monetary Approach to Exchange Rate Determination  
 Demand the Ticket Prices in Major League Baseball  
 The Effects of R&D and Firsts on Price, Quantity, and Profits on Firms in the High Technology Market  
 Consumer Credit - Trends in Credit Card Debt  
 Durable Goods as a Leading Indicator  
 Spot and Futures Prices  
 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?

**Posted Senior Honors Theses (see also econ 499 webpage at <http://www.mgmt.purdue.edu/faculty/rsiebert/econ499.asp>)**

“Determining the Value of NFL Quarterbacks” by Steve Alexander  
 “The Value of Automotive Factors between Segments” by Robert Heeter  
 “A study of Equilibrium Licensing Fee in Strategic Bargaining” by An-Hsiang Liu  
 “FDI as a Factor of Globalization and its effects on Wages in Least Developed Countries” by Robert Wiley  
 “Biotechnology Patents” by Katie Wood  
 “The effect of alcohol tax on alcohol consumption, drunk driving and binge drinking” by Yekaterina V. Zelikman

## **Interesting Research Projects**

Entry and Exit in Markets

Spillovers: Sources and Measurement

Productivity Studies of Industries or Firms

Auctions: e-bay

Innovation or Strategic Alliances in the Pharmaceutical or Biotechnology Industry

Adoption of Technologies

Spillovers versus Learning by Doing

Evolution of housing prices over time

Collusion/Cartels

Fiscal topics, taxes