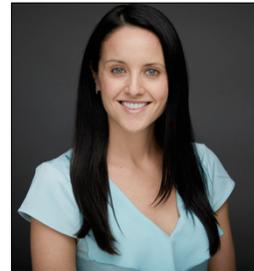

Columbia Business School
Modern Econometrics for Business (B8257)
Spring 2022 Course Syllabus

Course Description

Data analysis in economics, or “econometrics” as it is called by practitioners, has moved away from mathematical complexity and towards simpler tools that are accessible to businesses and can be applied easily to big data. This course will provide students with an understanding of three widely used techniques in modern econometrics: randomized control trials, regression discontinuity, and differences-in-differences. After learning how these tools provide superior analytic results than traditional regression techniques in making inferences about the real world, students will gain the practical knowledge to wield them successfully and make better decisions with data.

Course Instructor:

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Assistant Professor of Economics
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Office Phone: 212 854-3832
Office Hours: TBD
Location: Uris 614



Course Assistant:

TBD

Materials

Readings: There is no required textbook, but readings from sources including textbooks will be posted on Canvas and some readings are required. Case studies are available via Canvas.

- For those who would like to have a textbook on hand, excellent books covering much of the course material are: Gerber and Green’s “Field Experiments: Design, Analysis, and Interpretation” and Angrist and Pischke’s “Mastering ‘Metrics.” Angrist and Pischke’s “Mostly Harmless Econometrics” is also a great book but is more formal/mathematical. These can be relied on for questions about classwork, homework, and your final project.

Handouts: At the start of each session students will be provided with a handout which accompanies slide presentations. Handouts do not contain all presented material, and students will find it useful to bring a notebook on which to take notes. Copies of handouts, presentations, and any other relevant materials from class will be posted on Canvas after class.

Software & Computers: We will often use computers in class to do data analysis; you should always bring your laptops to class. We will use R -- a widely used open-source language for data analysis – but do not presume prior knowledge of this software. The course includes a brief introduction to R, although learning to code in R is not part of the course’s instructional objectives. Samples and outlines for R code will be provided for in-class exercises as well as assignments, and a number of external supports will be offered for students who need additional help.

Videos: All class sessions will be recorded and available on Echo360 via Canvas. In addition, there are several websites that provide additional explanation of many of the concepts we cover. Some of the best are provided by the Abdul Lateef Jameel Poverty Action Lab (J-PAL) and can be found at <https://www.povertyactionlab.org/research-resources/teaching>.

Evaluation

Class Participation (20%): In-class discussions are an integral part of the course, and students are expected to contribute to the learning experience of the class by asking relevant questions, offering insights into the topic at hand, and generally behaving in a professional manner. Quality of contribution matters more than quantity.

Class participation scores will also account for attendance, lateness, and completion of pre-class and in-class surveys. Students are expected to attend all classes; excused absences are granted consistent with the standards used in Core courses; see Attendance Policy below.

Problem Sets (40%): There will be four problem sets for the course. Problem sets are Type B2 (see table below). They must be **written up and turned in individually**. Students can discuss concepts related to the problems, but not their own individual submissions or solutions, with members of their learning team and/or other classmates.

Type	Designation	Grade	Preparation of submission	Discussion of Submission	Discussion of Concepts
B2	Individual with discussion of concepts only	Individual grade	Individual preparation	Not permitted to share/discuss solutions or submission	Permitted

Problem sets are submitted via Canvas. **Please name files** using the following convention: “Metrics_PS#_FIRSTNAME_LASTNAME” (.pdf, .xls, etc.) where # is the problem set number and FIRSTNAME/LASTNAME are filled in with your name.

Submissions are scored and returned via Canvas. Students are encouraged to turn in problem sets prior to the due date. Partial credit for problem sets turned in within 8 hours of the normal deadline: 20% reduction for *any* lateness, plus a reduction of 10% per hour. For example, with a deadline of 11:59pm, an assignment turned in at 2:30AM would be reduced by 20%+25% = 45%. Solutions will be made available on Canvas the following day.

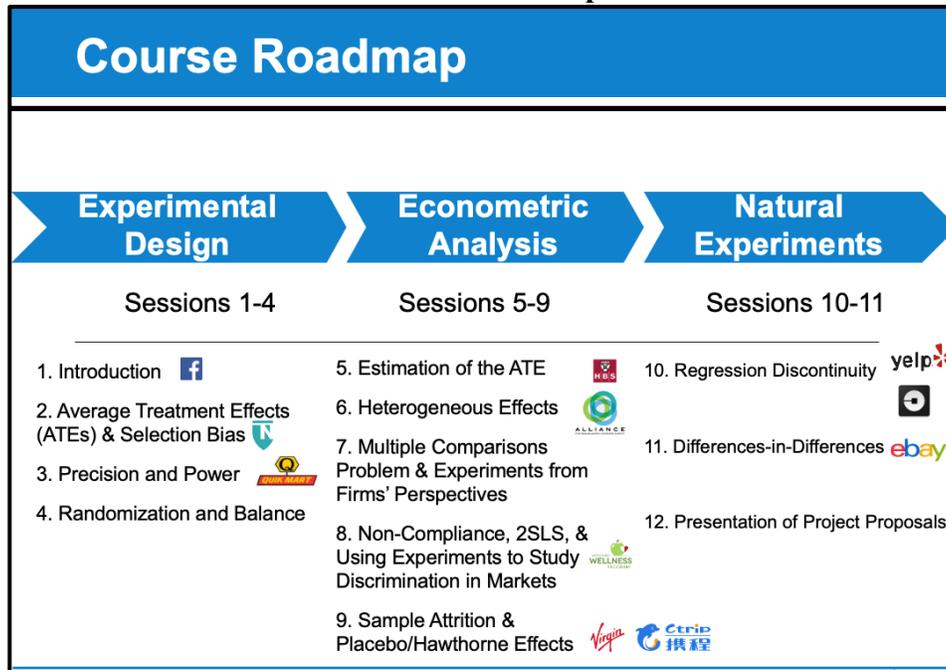
Group Project (40%): Students will work in teams (of 4-5 people) to develop a causal question related to a real business, design a randomized experiment to test their question, run a pilot study to inform their design, and “pitch” a proposed design and implementation strategy (directed to the key decision maker in the company) during the final exam period. Each student must submit an experimental idea (10% of project grade) which is graded individually. Then each group must meet with course instructors to present an initial design plan and a revised version (10% of the project grade), pitch the idea at a full-class session in the final class session (20% of the project grade) and submit a written version of this pitch (60% of the project grade); these elements are graded at the group level. More details on this project can be found on Canvas.

Course Schedule and Outline

Session	Topic	Required Readings
Module 1: Experimental Design		
1	Introduction	"Is Your Digital Advertising Campaign Working?"; "Why Businesses Don't Experiment"
2	Average Treatment Effects & Selection Bias Introduction to R	"Do We Really Know What Makes Us Healthy?"; MM pp 3-15; RRE pp 57-58
Deliverable	<i>Problem Set #1 Due</i>	
3	Precision and Power	"Testing for Statistical Significance (Managerial Stats)"
4	Randomization and Balance	MM pp. 4-5,16,19-22
Module 2: Econometric Analysis of Experiments		
Deliverable	<i>Experiment Proposals Due</i>	
5	Estimation of the ATE	Advertising Experiments at Restaurant Grades; FE pp. 102-105; MM pp. 215-217
6	Heterogeneous Effects	FE pp. 296-298; Caselet: Bangladesh SC Experiment
Deliverable	<i>Problem Set #2 Due</i>	
	First final exam period	
	Spring Break	
7	Multiple Comparisons Problem & Experiments from Firms' Perspectives	"Cornell Food Researcher's Downfall Raises Larger Questions For Science"
Milestone	<i>1st Design Plan Draft Submitted / Discussed</i>	
8	Non-Compliance & Using Experiments to Study Discrimination in Markets	MM pp. 116 - 121
Deliverable	<i>Problem Set #3 Due</i>	
Module 3: Natural Experiments		
9	Sample Attrition / Placebo & Hawthorne Effects	"Does Working From Home Work?" (pp 176 - 183); FE pp. 161-163; Caselet: "Virgin Atlantic Tested 3 Ways to Change Employee Behavior"
Milestone	<i>Revised Design Plan Draft Submitted / Discussed</i>	
10	Regression Discontinuity	MM pp. 150-152; "Using Big Data to Estimate Consumer Surplus: The Case of Uber" pp. 6-10
11	Differences in Differences	
Deliverable	<i>Problem Set #4 Due</i>	
12	<i>Experimental Design Presentations</i>	
Deliverable	<i>Final Project Write-ups Due</i>	

Note: In readings, MM = "Mastering Metrics", RRE = "Running Randomized Evaluations", FE = "Field Experiments"

Course Roadmap



Attendance Policy

Students are required to attend each class and expected to arrive on time. Students should reach out to the instructor or CA regarding excused absences (for religious observances; personal, medical, and family emergencies; military service; court appearances such as jury duty) or lateness. Unexcused absences and lateness will affect your course grade.

- Students missing more than 33% of classes (unexcused) will receive at most a P grade
- Students missing more than 50% of classes (unexcused) will receive at most an F grade

Columbia Core Culture

The purpose of the Columbia Core Culture is to promote a consistent classroom environment of mutual respect, preparation and engagement. Our expectation of you in class is to be:

Present: Your success depends on being on time and present for the entire class every session. Attendance will be part of your grade for class participation.

Prepared: Bring your nameplate, clicker, and complete any pre-work needed for class discussion. Expect the professor to cold call in class.

Participating: Active participation calls for no electronic devices such as laptops, smartphones, or tablet computers during class, except if you are told to use them as part of in-class work.

Inclusion, Accommodations, and Support for Students

At Columbia Business School, we believe that diversity strengthens any community or business model and brings it greater success. Columbia Business School is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and

working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Columbia Business School will make reasonable accommodations for persons with documented disabilities. Students are encouraged to contact the Columbia University's Office of Disability Services for information about registration. Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University's Office of Disability Services online at www.health.columbia.edu/docs/services/ods/index.html or by contacting (212) 854-2388.

Columbia Business School is committed to maintaining a safe environment for students, staff and faculty. Because of this commitment and because of federal and state regulations, we must advise you that if you tell any of your instructors about sexual harassment or gender-based misconduct involving a member of the campus community, your instructor is required to report this information to a Title IX Coordinator. They will treat this information as private, but will need to follow up with you and possibly look into the matter. Counseling and Psychological Services, the Office of the University Chaplain, and the Ombuds Office for Gender-Based Misconduct are confidential resources available for students, staff and faculty. "Gender-based misconduct" includes sexual assault, stalking, sexual harassment, dating violence, domestic violence, sexual exploitation, and gender-based harassment. For more information, see <http://sexualrespect.columbia.edu/gender-based-misconduct-policy-students>.