

IECO/ECON 401, Assignment #4

Data sources and empirical strategy

The aim of this 3-5 page paper is to present the data you have obtained and explain the econometric methods you intend to use in testing your hypothesis.

We will meet in small groups of four or five to discuss this paper. A schedule and sign-up sheet will be posted on your mentor's door.

Some advice regarding the data and empirics:

- i. Include descriptive statistics of your variables: means, std. deviations, min/max, number of observations.
- ii. Read "10 Commandments for Tables":
<http://pacific.commerce.ubc.ca/keith/tabcoms.htm> but ignore commandment #7 – put your tables at the end of the paper.
- iii. If you are that far along, include differences of means. I.e. if your theory is that FDI into countries with capital export controls is lower, tell us the average FDI (scaled appropriately) into countries with and without such controls. If your theory is that repeat customers tip better, tell us the average tip for repeat customers versus first-time visitors.
- iv. Explain why the simple differences-of-means, or simple OLS regressions, might be biased. Motivate your planned empirical approach using the theory as much as possible.

Note: by 10 AM the day *before* the meeting you must:

- (a) Give a hard copy of the paper to your mentor.
- (b) Send electronic copies of your paper to your mentor and each person in your small group.