

**191A-B: Senior Essay Seminar, Fall 2012-Winter 2013**  
(based on an outline by Dr. Melissa Famulari)

These classes will help you apply the tools you have learned in your core and elective coursework to (1) do your own research (to move from being a *consumer* of research to a *producer* of research) and (2) critically assess others' research.

**Texts:**

- Strunk & White, *Elements of Style*
- William Thompson, *A Guide for the Young Economist*

**Goals:**

- For you to learn how to present your ideas, both written and orally.
- For you to learn how to ask, research, and answer a question.
- For you to learn how to listen to other people's ideas, ask insightful questions and provide useful comments/suggestions.

**Conducting a Research Project (based on Ashenfelter, Levine, Zimmerman, "Statistics and Econometrics")**

1. Ask a question (and think about why the answer to your question is important).  
Make sure your question is not too broad!
2. Find out who else has asked your question (or a similar one). How did they go about answering it – what were the strengths/weaknesses with their approach? Look for articles at JSTOR, NBER, Econlit, Google Scholar, Google search but add following condition "site:.edu" or "site:.gov".
3. What can you add to the literature? This is a must for a PhD in economics. GREAT if you can do this as undergrads
4. What is the answer to your question or what is the most you can conclude given your research? What avenues do you see for future research?
5. Your model is an article or note in *American Economic Review*, *Journal of Economic Perspectives*, *Quarterly Journal of Economics*, *Journal of Political Economy*

**The Department of Economics at Princeton University** requires all their undergraduate majors write a senior thesis and they have an outstanding and extensive website regarding the writing of a senior thesis. I highly recommend that you review "Senior Thesis Program Handbook" at <http://www.princeton.edu/economics/undergraduate/#SIW>

An all around useful web site, created by Bill Goffe, is Resources for Economists on the Internet, at <http://www.aeaweb.org/RFE/>

**Meeting other Faculty**

You should meet the faculty member(s) with interests most similar to your own, based on your research topic. We will talk more about this as you start working on your research topics the

first few weeks of class. There are many benefits of meeting early in your project: getting helpful early guidance and possibly really getting to know one of our professors. There are also costs: you may use up a valuable visit (faculty time is very scarce) and learn information you could have easily figured out on your own.

### **Presentations**

In the middle of the first quarter, you'll present a review of the literature in your area. Frame the question; report on prevailing (and differing if any) schools of thought. For empirical work, explain data sources. At the end of the first quarter, you'll present a preliminary view of your research. Aim at 15 minute presentations with 5 minutes of questions and discussion. This is an opportunity to present your work and get feedback from the entire class and me on your research ideas.

### **Written papers**

A preliminary draft of your paper is due at the last class meeting of the Fall quarter, Thursday, December 6, 2012. It is preliminary --- some sections will be in outline. Some will just be section titles with the content to be filled in during the coming quarter. We will hold paper conferences during the final exam week, December 10 - 14. First drafts of papers will be due mid-February, followed by more paper conferences and final drafts of papers due during the last week of classes of the Winter quarter. **This is a demanding schedule. Time is short. Do not wait until shortly before a paper is due to start writing --- that way lies disaster.**

### **Grading**

Grades are assigned for the full 2-quarter sequence. The grade recorded at the end of Fall quarter is "IP," "in progress." Dropping the course by the end of the ninth week in the Fall results in the notation "W." Dropping the course in the Winter quarter may result in a grade of "F" (at least for the Fall) --- **don't do this.**

### **Class Attendance**

Attendance is required at all TTh class meetings.

### **Paper Topics**

Students in the Senior Honors Essay seminar choose their own research topics. There's an amazing breadth and they pursued them remarkably successfully. Several concentrated on financial markets: What is the effect on the markets of high frequency trading by hedge funds using computerized trading schemes? Can an investment strategy based on the leading opinions of individual investors or mutual funds outperform the averages? And microfinance --- how successful is small scale lending to the poor of less developed countries? Others concentrated on sporting events: How does the variability of a baseball player's performance affect his salary? Remarkably, variability may command a premium! How do major sporting events (the Olympics, World Cup) affect tourism in the host country in following years?

Others looked at money and macroeconomics: How does entering the labor market during a recession affect lifetime earnings? How do floating versus fixed exchange rates affect the

economic success of countries during the recent financial crisis? Finally there are policy questions: How does the defense budget affect the growth of the US economy? What are the economic determinants of individual's willingness to pay for greenhouse gas abatement? Offshoring and outsourcing production by US firms. US charities --- how are they supported, how do they choose their specialty?

Topic in experimental economics: in a game theoretic setting requiring co-operation, how does the match or mismatch between one player's gender and ethnicity and those of his/her teammate affect levels of co-operation.

### **Thinking and writing like an economist**

Household utility- and firm profit-optimizing behavior

Market equilibrium

Allocative efficiency

External effects

Public goods

Econometric analysis to demonstrate statistical significance of results

Understand your data

### **Citing your sources**

Fully cite the sources in your research. Correctly and fully attribute quotations. Using others' written work without citation is **plagiarism**. Academics really despise and penalize plagiarism. Papers will be reviewed for unattributed sources using Turnitin.com.