Office Hours:

My office is 322 Rockefeller, and my office telephone number is 646-2893. My regular office hours are Monday and Wednesday afternoons from 2:00 – 4:00 p.m. Note that on several occasions, committee meetings will require these office hours to be rescheduled earlier or later in the afternoon. Please verify office hours each week on the course’s web page.

Course Description:

Economics 46 is a seminar course that provides an overview of major developments in monetary economics and finance over the last two decades and offers an in-depth look at selected aspects of financial markets and institutions. The objective of the course is to enable the student to understand the academic literature in finance and to produce original research using financial data.

Prerequisites: Economics 20, 22, and 36

Readings:

Some of the readings for this class are on reserve at Baker Library. The rest are available directly on the Internet. Most class periods will consist of critical discussions of the economic theory and evidence in the assigned papers. I will lead some class discussions, but students will lead most of them on a rotating basis. Other classes will be sessions on econometrics and using the library system and Internet to obtain financial data.

Course Requirements and Grading:

Research Paper, 60%
Class Participation, 40%

The research paper is on a topic of the student’s choice and has a maximum length of 15 pages. The first draft of the paper must be handed in by Friday, November 22 and presented to the class during the week of Monday, December 2. The order for presentations will be determined through a lottery. The final draft of the paper is due by Saturday, December 7. A three-page research proposal for the paper must be handed in by Friday, October 18. Further details on the requirements for the paper, presentation, and proposal will be discussed as the class progresses.
The remainder of the course grade is based on presentations and participation in classroom discussions. Each day that a paper is being presented, students must submit critiques of the assigned readings according to a template posted on the web page. Handwritten critiques, or critiques submitted after the relevant class, will not be accepted. Each student will also give at least one class presentation of the assigned papers. The critiques and paper presentation, plus general contributions to class discussion, comprise the class participation part of the grade. Students should meet with me several days prior to their presentations to review the assigned paper.

Additional Information:

Class Meetings: Silsby 310, MWF 8:45 a.m. – 9:50 a.m. or 10:00 a.m. – 11:05 a.m. X-period meetings are denoted by * on the Course Outline. Students are expected to attend the specific section for which they are enrolled.

Class Materials: Course handouts are accessible at: www.dartmouth.edu/~econ46.

Honor Principle: Students are expected to follow the College’s guidelines for the proper attribution of sources in the conduct of their own research. While offering assistance to fellow classmates is encouraged, all written and oral assignments are expected to reflect each student’s own individual work.

Equal Access: Students with learning, physical, or psychiatric disabilities who may need disability-related classroom accommodations are encouraged to make an appointment as soon as possible. The Academic Skills Center will be asked to verify that the student is verified for these services. All discussions will remain confidential, although the Student Disabilities Coordinator may be consulted to discuss appropriate implementation.

Procrastination and Distraction:

Completing the term paper requirement for this course is likely to be a very different experience from all of your prior academic activities at Dartmouth. This term paper requires both an original idea and an econometric implementation of that idea. Most students have no experience with the latter, and so it is a skill that must be practiced and learned. This is not a paper that can be successfully completed by doing all of the work at the end of the term. It will be painfully obvious, and not likely successful, if this approach is taken.

Corporate recruiting in the fall term provides some unique challenges in Economics 46. I am sympathetic to the pressure it places on my students to miss class frequently and with little notice. I have designed the course to be as accommodating as possible on a day-to-day basis. However, student performance in this course is based in large part on the term paper and presentation. No amount of distraction by the corporate recruiting process serves as a substitute for the quality of the term paper.

If you are concerned about either of these issues, then you should see me immediately, so that we can work together to make your experience in Economics 46 a rewarding one.
Course Outline:

For articles that are available on the Internet at sites to which Dartmouth has a subscription or to which no subscription is needed, students are responsible for obtaining the articles at least 5 days before the article is to be discussed in class. All other articles will be distributed in class.

1) Introductory Topics

[W 09/25]


[F 09/27]


[M 09/30]


[W 10/02]


[Th 10/03*]


[F 10/04]


[M 10/07]

II) Data and Econometrics

[W 10/09] Data Meeting at Berry Instructional Center in Carson Hall

[Th 10/10*] Data Meeting at Berry Instructional Center in Carson Hall

[F 10/11] Data Meeting at Berry Instructional Center in Carson Hall

III) Noise Trading and Sentiment

[M 10/14]


[W 10/16]


[F 10/18]


[F 10/18] RESEARCH PROPOSALS DUE IN CLASS

[M 10/21]


IV) Initial Public Offerings

[W 10/23]


[Th 10/24*]


V) Internet Valuations


VI) Corporate Finance and Investment


VII) Empirical Tests of Herd Behavior

[W 11/13]


[M 11/18]


[W 11/20]


VIII) Class Wrap-Up

[F 11/22] FIRST DRAFTS OF RESEARCH PAPERS DUE IN MY OFFICE BY THE END OF THE CLASS PERIOD.

[M 11/25, Tu 11/26] FIRST DRAFTS AVAILABLE; EXTRA OFFICE HOURS

[M 12/02] [Tu 12/03] Each section will meet on one of these evenings during which all presentations will be made.

[Sa 12/07] FINAL DRAFTS OF RESEARCH PAPERS DUE IN MY OFFICE BY 10 a.m.