

ECO 620 Milestone Two Guidelines and Rubric

Overview: The final project for this course is the creation of an econometrics analysis of a business, a policy, or an economic issue of your choice. The project is designed to guide you through the process of applying the key components of econometrics as introduced in this course.

Prompt: For this milestone, submit a paper that discusses how you will address the data limitations, empirical approach, and results for your final project. Specifically, the following **critical elements** must be addressed:

- **Data**
 - What **limitations** could your data impose on the choice of empirical method? What are the effects of these limitations?
- **Empirical Approach**
 - What empirical **method(s)** do you propose and why? Explain why it is appropriate to use the method(s).
 - What are the **limitations** of your proposed empirical method? What possible alternative methods can be used? Be sure to address causes for these limitations, such as problems with the data or with interactions between variables.
 - What is your model **specification**? What functional form of data do you use and why?
- **Results and Robustness Check**
 - What are your **preliminary results** from initial runs in the statistical software? What is their relationship with the original hypotheses and research questions?
 - Which **violations** of ordinary least squares (OLS) assumptions do you anticipate? Which diagnostic tests will you employ to check for the presence of violations of OLS assumptions?
 - What are your **secondary results** from your test run through the statistical software? Interpret these test results and determine the presence or absence of problems.

Guidelines for Submission: This submission should be two to three pages in length (in addition to the title page and references) and should use double spacing, 12-point Times New Roman font, one-inch margins, and citations in APA format.

Instructor Feedback: This activity uses an integrated rubric in Blackboard. Students can view instructor feedback in the Grade Center. For more information, review [these instructions](#).

Rubric

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Total
Data: Limitations	Meets "Proficient" criteria and supports discussion with scholarly research.	Identifies limitations of the data structure on the choice of empirical methods and details the effects of these limitations	Identifies limitations of the data structure on the choice of empirical methods but does not detail the effects of these limitations, or discussion misses key limitations	Does not identify limitations of the data structure on the choice of empirical methods	10
Empirical Approach: Method(s)	Meets "Proficient" criteria and explains why the chosen method is superior over alternative methods	Proposes empirical method(s) to use in the study and clearly defends the method(s), stating the considerations leading to the choice	Proposes empirical method(s) to use in the study and defends the method(s) but does not address considerations leading to the choice, or defense of proposed methods is lacking in detail	Does not propose and defend empirical method(s) to use in the study	15
Empirical Approach: Limitations	Meets "Proficient" criteria and supports discussion with scholarly research	Identifies limitations of the proposed model, delineating between issues with the data and interactions between variables, and addresses the appropriateness of alternative methods/models	Identifies limitations of the proposed model but does not delineate between issues with the data and interactions between variables or does not address the appropriateness of alternative methods/models	Does not identify limitations of the proposed model	15
Empirical Approach: Specification	Meets "Proficient" criteria, and justification is supported through research	Outlines the empirical approach in a clear manner, providing specifications in the form of an equation and justifying the transformation	Outlines the empirical approach but does not provide specifications in the form of an equation or does not justify the transformation	Does not outline the empirical approach	15
Results and Robustness Check: Preliminary Results	Meets "Proficient" criteria and discusses any counterintuitive elements in the results or possible inconsistencies	Utilizes statistical software to produce an initial report of results, details those results, and determines the relationship of the results to the hypotheses and research questions	Utilizes statistical software to produce an initial report of results but does not present those results beyond simple statements of fact or does not determine the relationship of the results to the hypotheses and research questions	Does not utilize statistical software to produce an initial report of results	15

Results and Robustness Check: Violations	Meets "Proficient" criteria, and examination addresses the effects that identified OLS violations would have on results	Identifies violations and chooses appropriate statistical tests based on initial examination of results	Identifies violations but chooses inappropriate statistical tests to run or employs an incomplete battery of tests	Misinterprets results of the tests or uses inappropriate tests	15
Results and Robustness Check: Secondary Results	Meets "Proficient" criteria, and interpretation is highly specific and detailed	Conducts, interprets, and reports results from secondary tests correctly and determines the presence or absence of problem(s)	Conducts and reports results from secondary tests, but interpretation of test results is limited/incorrect, or the presence/absence of problem(s) is not determined	Does not conduct or report results from secondary tests	10
Articulation of Response	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy to read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	5
Earned Total					100%