

*“It is easy to lie with statistics, but it is easier to lie without them.”*

*Charles Frederick Mosteller*

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**ECON 57: ECONOMIC STATISTICS  
FALL 2008, POMONA COLLEGE**  
[HTTP://WWW.ECONOMICS.POMONA.EDU/SLAVOV/ECON57](http://www.economics.pomona.edu/slavov/econ57)



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Office hours: Tuesday 3-4 pm, Wednesday 2-3 pm, Thursday 3-4 pm

**What is this course about?**

Econ 57 is a course in basic probability and statistics. It will give you the toolbox you need in order to understand and apply the econometric models taught in Econ 107 (or 167). Our course will consist of three major segments: describing and displaying data, probability theory, estimation and inference. Since this is an economics course, we will use examples relevant to economics, finance, and business to support our discussions. By the end of the semester you should be able to “do anything with statistics, except lie, cheat, steal, and gamble.” (The quote comes from Gonick and Smith’s wonderful book The Cartoon Guide to Statistics.)

Despite, its mathematical roots, statistics is as much an art as it is a science. Statistics is ultimately a rhetorical device – it gives you a toolbox you can use in order to be more persuasive. Good statistical analysis is ultimately not about mathematical rigor but about clear and careful thinking.

**Lectures:**

We will meet every Tuesday and Thursday in Hahn 108. The morning section meets at 9:35 am. The afternoon section meets at 1:15 pm.

**Required texts:**

Aczel, Amir, and Jayavel Sounderpandian. Complete Business Statistics. 6<sup>th</sup> edition. McGraw-Hill/Irwin, 2006. (*The 4<sup>th</sup> and 5<sup>th</sup> editions will do just fine as well.*)

Ayres, Ian. Super Crunchers. Bantam Dell, 2007.

Taleb, Nassim. The Black Swan. Random House, 2007.

<b><u>Grading:</u></b>	Short writing assignments (best 11 out of 13)	10%
	Homeworks (best 4 out of 6)	10%
	Term paper (proposal, presentation, final draft)	20%
	Midterm	20%
	Final	35%
	Class attendance and participation	5%

**So far, so good, but always make sure you read the small print:**

The short writing assignments will be based on chapters from Ayres' and Taleb's books. You will find the schedule of readings on the next page. Each Tuesday, you will have a short writing assignment due in class. The format for these assignments is flexible. Think of them as your reading notes. You may discuss the central points of the reading, its most illuminating insights, any disagreements you may have with the author, anything that puzzles you. Each assignment should be typed and about 1-2 pages long. Assignments are due in class. I will not accept them before or after class, or over e-mail. If you are registered for the morning section, you cannot submit your assignment in the afternoon one (and vice versa). Please read the underlined passages again.

The due dates for homeworks are as follows: September 19, October 3, October 10, November 7, November 21, December 5 (all Fridays). Homeworks will be due by noon that day in a box outside my office (Carnegie 207). Late homework will not be accepted. It is your responsibility to plan accordingly and submit your homework on or before the due date and time.

Use your freebies wisely. Save them for illness, travel, crunch in other classes, or any other unanticipated emergency.

The midterm will take place on October 16 (Thursday), during regular class time. There will be no alternate midterm dates.

The final exam for the morning section will be on Friday, December 19, at 9:00 am.

The final exam for the afternoon section will be on Wednesday, December 17, at 2:00 pm.

The final exam will be cumulative. Both the midterm and the final will be closed-book, closed-notes tests. If you are registered for the morning section, you cannot take any of the tests with the afternoon one (and vice versa).

I will drop your midterm score if you do better on the final exam. Under this scenario, the final will count for 55 percent of your course grade. You are allowed to skip the midterm. If you do, its weight will be transferred to the final, which will then count for 55 percent of your grade. I strongly recommend against taking this strategy – it is risky and courts academic disaster. I urge you to take the midterm – it will never hurt your grade and can only help.

For the term paper, you will turn in a short proposal on November 5. You will present your paper in class in early December. The final draft of your term paper will be due on December 10. More detailed guidelines on the term paper will be provided later.

Take a careful look at all dates listed above. Please enroll in this class only if you can reconcile them with your travel plans and other commitments.

Finally, if you have a documented disability and wish to discuss academic accommodations, please contact me as soon as possible.

**Communication:**

The course has a web page where I will post homeworks and solutions, a calendar for the semester, and other materials. The address is:

<http://www.economics.pomona.edu/Slavov/econ57>

**Course outline:**

We will cover the first ten chapters from the textbook, excluding Chapter 9. I expect to spend roughly 2-3 lectures on each chapter.

**Schedule of readings for short writing assignments:**

September 9: Introduction and Chapter 1 in Ayres

September 16: Chapters 2 and 3 in Ayres

September 23: Chapters 4 and 5 in Ayres

September 30: Chapters 6 and 7 in Ayres

October 7: Chapter 8 in Ayres

October 14: Prologue, Chapters 1 and 2 in Taleb

October 28: Chapters 3, 4, and 5 in Taleb

November 4: Chapters 6 and 7 in Taleb

November 11: Chapters 8 and 9 in Taleb

November 18: Chapters 10 and 11 in Taleb

November 25: Chapters 12 and 13 in Taleb

December 2: Chapters 14 and 15 in Taleb

December 9: Chapters 16, 17, 18, 19, and Epilogue in Taleb