

**Economics 590**  
**Dr. Reed Olsen**  
**Spring 2012**  
**Assignment 8 – Final Project**

The purpose of assignment 10 is to write a research paper on an "interesting" economic topic. The topic you are to write your research paper on is the same topic that you chose and began research on for assignment 5. Keeping in my mind the comments/suggestions I made on your assignment 5, research the topic and write a 20 to 25 page research report describing your methods and findings. Your report must include the following elements:

1. Part 1 – Introduction.

The introduction is where you would include brief discussions of the topic, the findings of your research, a literature review, etc.

2. Part 2 – Theory.

Carefully read the textbook regarding what should be included in this section. The main point of the theoretical section is to analyze the topic, usually in order to make specific empirical predictions that can be tested. Make sure that your theoretical argument is logical and consistent.

3. Part 3 – Hypothesis Testing.

It might be useful to divide this section up into two subsections. One where you discuss the **Data** used in the project and one where you discuss the empirical regression results. You are required to use regression analysis, OLS is usually considered adequate for this project but you may need something beyond it (e.g., simultaneous equations) dependent upon what you are testing. You will be graded on how you conduct your empirical work. Please make sure that your empirical model has a sufficient number of observations and independent variables. I won't give any hard and fast rules but generally speaking the number of observations should exceed 100. The number of independent variables is dependent upon your theory, but usually just a couple of variables will not be sufficient.

4. Part 4 – Concluding Remarks.

In this section you should again mention the topic/purpose of the report, summarize the theoretical argument and the empirical evidence. You should also discuss the implications/public policy conclusions of the study's findings and mention the direction future research might take.

**The Assignment is due in class on May 10 (the last day of classes.) Note that you should have the final project finished before you make your oral presentation of it sometime during the last two weeks of class.**