

GRADUATE ASSESSMENT REPORT

The goals of the Master's Program in Economics are:

1. To impart to students the skills necessary to apply macroeconomic theory to questions of public policy.
2. To impart to students the skills necessary to apply microeconomic theory to the resolution of applied problems in economics.
3. To impart to students the basic procedures for conducting applied economic research and to develop in students the ability to conduct and report quality economic research.

These goals were developed by the faculty of the Department of Economics and have not been modified. The three stated "student outcomes" for the assessment of the Master's Degree Program in Economics:

Students who successfully complete this program will be able to:

- Outcome 1:
- a) Interpret the stream of macroeconomic data not only on an annual and quarterly basis but also on a daily basis.
 - b) Use models of the business cycle, economic growth, inflation and unemployment to analyze macroeconomic issues.
 - c) evaluate the impacts of alternative monetary and fiscal policies on both national and international economies.
- Outcome 2:
- a) Understand the mechanism through which a given economy allocates its scarce resources. This understanding includes how agents make economic decisions, how various institutions affect the incentive structure, how individual actions interact to generate a market equilibrium and how the price system allocates resources.
 - b) Understand how an external event influences the choices and the equilibrium outcome.
 - c) Understand how the design of public policy and institutions can alter incentives for individuals and thus resource allocation.
 - d) Understand the concept of allocative efficiency.
- Outcome 3: Formulate and test economic hypotheses. This involves collecting and analyzing data, relating the data to the theory and choosing the appropriate statistical methodology. For example, when choosing the appropriate statistical methodology, the student should be able to decide whether least squares regression, simultaneous equation methods or discrete variable regression is the correct approach. Students should also have the ability to apply the appropriate statistical tools to determine statistical significance of the results.

These outcomes are the result of deliberations of the Economics Department faculty and have not been modified.

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Our approach to measuring outcomes one and two is different from our approach to measuring outcome three. To determine the extent to which we are successful in achieving outcomes one and two, the department will administer a pre-test and a post-test to our graduate students. The macroeconomics pre-test will be administered prior to the students taking any graduate macro classes in the department. The micro pre-test will be administered prior to the students taking the relevant graduate micro courses. The post-tests will be administered at the completion of the respective courses. The results of both the pre and post tests will be evaluated by a committee composed from the graduate faculty.

For the student to demonstrate his ability to satisfy outcome 3, he will complete a research project including a paper in Economics 625 (Econometrics). The paper will be evaluated by the same committee from the graduate faculty that evaluates outcomes one and two.

Results as of the end of Spring 2004 Semester:

'Pre' and 'Post' exams were administered to graduate students in ECN 643 (Advanced Macroeconomics) and ECN 635 (Competition and Strategy) during the years 2003 and 2004. 'Pre' and 'Post' exams were administered in ECN 633 (Advanced Microeconomics) in 2004 only. Additionally, the Graduate Committee of the Economics Department reviewed papers that were submitted by graduate students to satisfy their requirements in ECN 625 (Econometrics). This was done in 2003. A review of the papers submitted in ECN 625, Spring 2004, will take place during the Fall 2004 semester.

The results from the 'pre' and 'post' exams for ECN 643 in 2003 are:

- a) 6 students took the exams.
- b) The average score on the pre-test was 25%. The average score on the post-test was 72%. This represents an average increase of 47%. The minimum improvement was 20% and maximum was 65%.

In ECN 635, five students took both the 'pre' and 'post' exams in 2003.

- a) The mean score on the pre-test was 31% while the mean score on the post-test was 87%. Thus, the average gain in scores was 56%. The minimum improvement was 46% and the maximum improvement was 67%.

The 'Pre' and 'Post' exams for ECN 633 were administered in 2003 only.

- a) 10 students took the pre-exam and 9 students took the post-exam.
- b) The mean score on the pre-exam was 42% while the mean score on the post-exam was 60%. The average gain in scores was 18%. The minimum gain was -4% and the maximum gain was 41%.

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The committee was satisfied with the improvement of the results in ECN 643 and ECN 635. However, the results from ECN 633 were somewhat disappointing. It was the consensus of the committee to wait until we have an additional year of data before attempting to determine where the problem lies.

In 2004, the results for ECN 643 are:

- a) 7 students took the 'Pre' exam and 5 students took the 'Post' exam.
- b) The average score on the pre-test was 29%. The average score on the post-test was 57%. This represents an average increase of 28%. The minimum improvement was 10% and maximum improvement was 50%.

In 2004, the results for ECN 635 are:

- a) 7 students took the 'Pre' exam and 6 students took the 'Post' exam.
- b) The mean score on the pre-test was 52%. The mean score on the post-test was 75%. The average gain in score was 33%. The minimum improvement was 4% and maximum improvement was 42%.

The committee has not reviewed the results of the 2004 data.

The Graduate Committee reviewed the papers that were submitted by graduate students in ECN 625 in Spring 2003. There was a consensus among committee members that students did not relate the theories learned in their economics courses to the issue of hypothesis testing. It was felt that there must be greater emphasis in economics classes on the integration of theory and estimation. This will be presented to the department.

Members of the Graduate Committee also felt that students should be required to hand in an outline of their paper prior to being allowed to write on a topic. Currently, this is not a requirement. The benefits are twofold:

- a) The instructor can determine whether the student has properly formulated a testable hypothesis.
- b) There is an opportunity for the instructor to have input concerning the organization of the paper.

