E-Content

Research Methodology in Economics

Semester: V

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Course Code : BAEC3002

Course Name: Research Methodology in Economics

COURSE CONTENT

A Classification of Experimental Designs

Name of the Faculty: Dr. Manju Dahiya

Program Name: B.A (H) Economics



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What is an Experiment?

•An experiment is generally used to infer a causality. In an experiment, a researcher actively manipulates one or more causal variables and measures their effects on the dependent variable of interest.

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Necessary Conditions for Making Causal Inferences

Concomitant variation

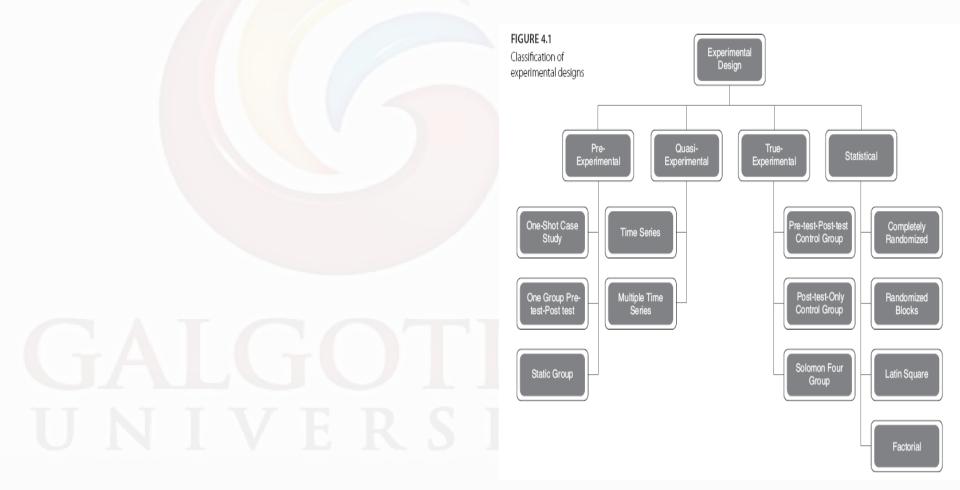
• Time order of occurrence of variables

Absence of other possible causal factors

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A Classification of Experimental Designs



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Pre-experimental design

Pre-experimental designs do not make use of any randomization procedures to control the extraneous variables. Therefore, the internal validity of such designs is questionable.

• One-shot case study:

- X O
- One-group pre-test-post-test design:

 $O_1 X O_2$

• Static group comparison:

Group 1 - $X O_1$ Group 2 - O_2

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Quasi-experimental designs

In quasi-experimental design, the researcher can control when measurements are taken and on whom they are taken. However, this design lacks complete control of scheduling of treatment and also lacks the ability to randomize test units' exposure to treatments.

• Time series design: $O_1 O_2 O_3 O_4 X O_5 O_6 O_7 O_8$

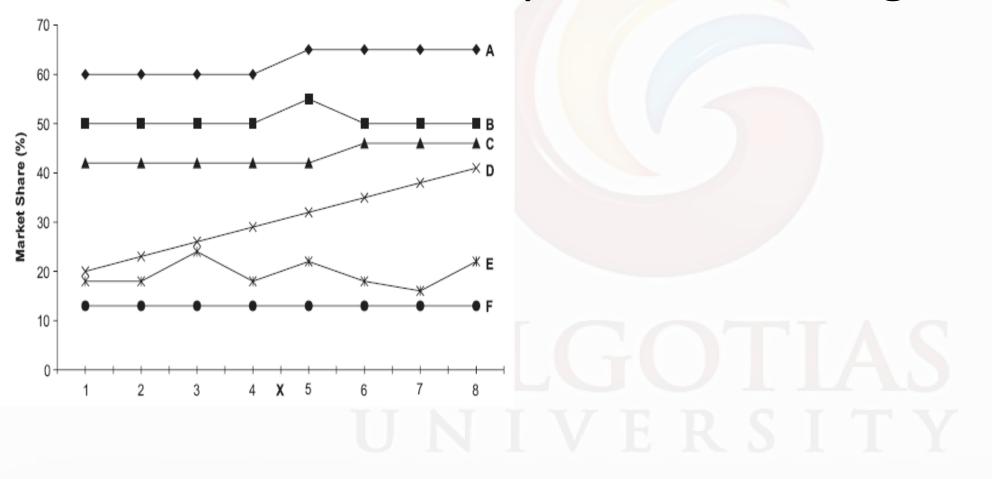
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Ouasi-experimental designs





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Quasi-experimental designs

• Multiple time series design:

Experimental Group: $O_1 O_2 O_3 O_4 X O_5 O_6 O_7 O_8$

Control Group: $O'_1 O'_2 O'_3 O'_4 O'_5 O'_6 O'_7 O'_8$

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True experimental designs

In true experimental designs, researchers can randomly assign test units and treatments to an experimental group. Here, the researcher is able to eliminate the effect of extraneous variables from both the experimental and control group.

• Pre-test-post-test control group: Experimental Group: $R O_1 X O_2$ Control Group: $R O_3 O_4$

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True experimental designs

• Post-test – only control group design:

Experimental Group: $R \times O_1$ Control Group: $R \times O_2$

• Solomon four-group design:

Experimental Group 1 : Control Group 1: Experimental Group 2: Control Group 2:

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Statistical designs

Statistical designs allow for statistical control and analysis of external variables.

- Completely randomized design
- Randomized block design
- •Latin square design
- Factorial design

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- 1. The main advantage of time series design is that it is possible to control the effect of history.
- 2. Test marketing is a form of laboratory experiment.
- 3. Mortality effect is more serious in field experiment than laboratory experiment.
- 4. Selection bias is not a problem in experiments involving just one group.
- 5. The one group after-only design is a quasi-experimental design.
- 6. In the time series design the influence of history to confound the result is very high.
- 7. In the completely randomized design, it is assumed that there are no extraneous variable which could influence the outcome.

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- In the randomized block design, it is assumed that the scores on the dependent variable in each of the block would be more or less same.
- Independent variables are also called treatments.
- In an experiment, the research manipulates one or more variables to measure its effect on the dependent variable.
- Changes in the economic environment can leads to history effect.
- The interactive testing effect would not occur for a group not subject to any treatment.
- Laboratory experiments are low on internal validity and high on external validity.

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