Abstract
To analyze the effect of grades on course evaluations, this paper uses a differences-in-differences strategy to estimate the impact of grade ceilings on both grade distributions and course evaluations. Findings show that effects vary based upon the level of the grade ceiling. A ceiling set at 3.2 decreased overall gpa by reducing the number of As and increasing the number of Bs that professors gave. In turn, the overall effects on student ratings were insignificant. A ceiling set at 2.8 decreased overall gpa by reducing the number of As and Bs and increasing lower grades. In addition, the low ceiling increased the number of withdrawals. In turn, teacher and course evaluations were significantly lower. In these classes, instrumental variable specifications suggests that a 1 unit increase in gpa is associated with an approximate 1 point increase in teacher and class ratings on a 5 point scale.