BCA Replication: Classical VAR IRFs, Bootsstrapped

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Replication of the Bootstrapped VARs

Using a resampled bootstrap method (drawing from VAR errors with replacement), the bootstrapped IRFs look very close to the original BCA IRFs.

The original BCA paper also bias-adjusts their bootstraps, through a method called bootstrap-after-bootstrap. Implementing this makes the replicated IRFs almost exact to the original BCA IRFs.
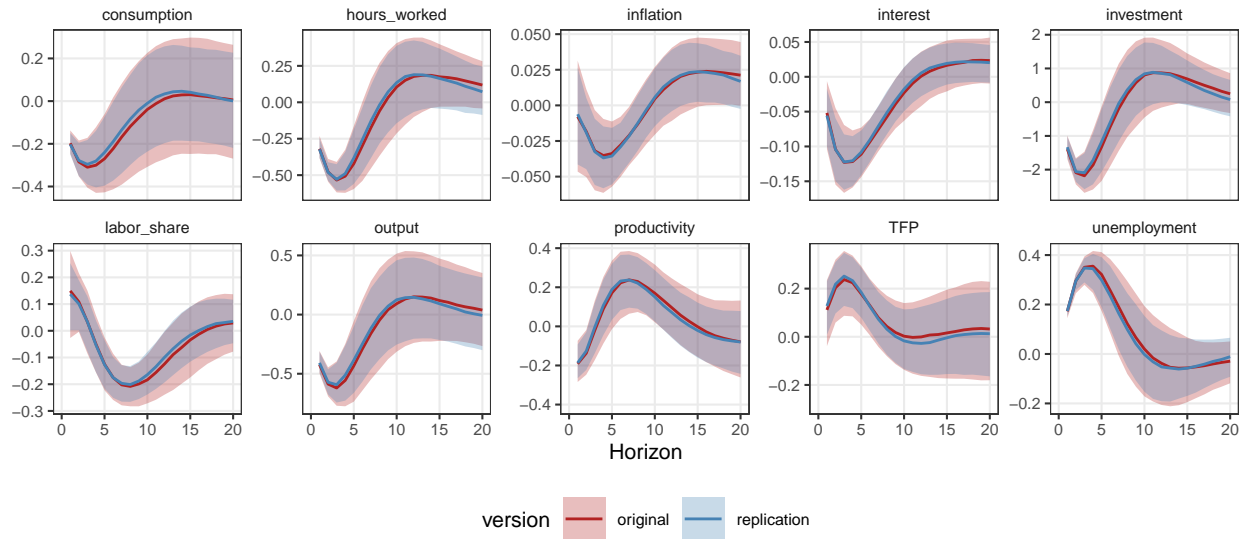

Figure 1: Comparison of Replicated IRF to Original, Resample Bootstrap, Bias adjusted