

Empirical IO: Homework 1

Cameron Scalera, Yoel Feinberg, Antoine Chapel

February 27, 2025

Problem 1

Part (a)

Individual level likelihood:

$$P_{hjt} = \frac{\exp(\beta_j^h + \eta^h x_{jt}^h)}{1 + \sum_{h=1}^H \exp(\beta_j^h + \eta^h x_{jt}^h)}$$