

Macro PS5

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1 Q1: Markov Chain

Table 1: Markov Chain

	Data	Tauchen N=5	Tauchen N=10	Rouwenhorst N=5	Rouwenhorst N=10
mean	-0.288	-0.068	0.044	0.104	0.228
var	21.82	14.042	12.71	21.993	19.623
skew	-0.021	0.027	-0.018	-0.045	0.096
kurt	0.031	-0.994	-1.015	-0.565	-0.18
1st order acorr	0.903	0.847	0.85	0.903	0.896
2nd order acorr	0.816	0.72	0.725	0.816	0.803
3rd order acorr	0.739	0.616	0.615	0.739	0.719
4th order acorr	0.667	0.528	0.519	0.669	0.646

2 Q2: Neoclassical 3D

