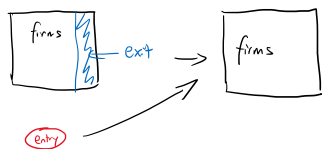
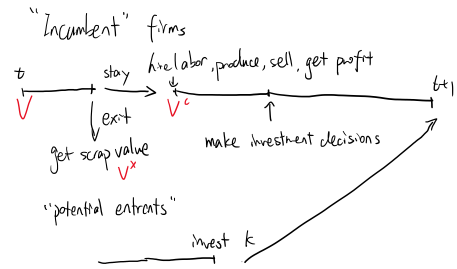
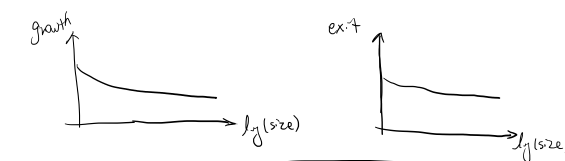
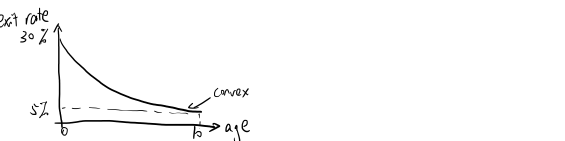
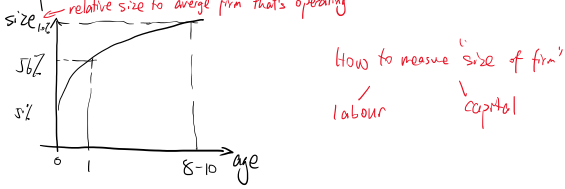


Lecture notes, Nov 26<sup>th</sup>, 2020

Timeline of entry/exit model

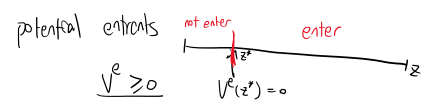


Empirical motivation?



Solution Characterization

Assume AR(1) process for  $z$



By assuming entrant productivity distribution  $z$

