Lecture notes, Nov 26th, 2020 Timeline of entry / exit model "Incumbent" firms stay hielabor, produce, sell, get profit get scrap value make investment decisions "potentral entronts" Empirical motivation? size in all that's operating How to measure size of firm' capital  $I_{\lambda}$ ext rate → /y(size) Solution Characterization Assure AR(1) Process for Z Incumbert firms 21potential entrents  $\frac{\sqrt{\epsilon} > 0}{\sqrt{\epsilon} (z_k)} = 0$ By assuming entiant productivity distribution z , stay block