

Problem Set # 5

Econ 722

1. Derive KL divergence between two normal RVs. Make some pictures.
2. Simulation study of various model selection criteria in a simple time series setting.
3. Something to show how the AIC can get things wrong when p is large relative to n .
4. Derive a simple version of the Focused Info Criterion or maybe the Schorfheide VAR criterion.