

Macroeconomics

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Complementary notes for the slides
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1 THEORETICAL ISSUES

Convergence in distribution

$$\begin{aligned}\hat{\beta}_{OLS} &\xrightarrow{d} \mathbf{N}(\beta, V(\beta)) \\ (\hat{\beta}_{OLS} - \beta) &\xrightarrow{d} \mathbf{N}(0, V(\beta))\end{aligned}$$

Asymptotic independence If independent the joint probability equals the product of probabilities, i.e.

$$P(A \cap B) = P(A) * P(B)$$

$$\begin{aligned}\hat{\beta}_{OLS} &= (x'x)^{-1}x'y \\ &= \beta + (x'x)^{-1}x'u\end{aligned}$$

2 ...