

PS2 Empirical IO 2

Bresnahan and Reiss (1991)

Carlos T. Estrada Arzamendi

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1

Reproduce the results for the tire dealers reported in Table 4 of the paper. Note that Bresnahan and Reiss (1991) estimate the model imposing the constraints $\alpha_n \geq 0$ and $\gamma_n \geq 0$. You should impose the same constraints.