

MIDWEST ECONOMETRICS GROUP

*Fourteenth Annual Meeting
Northwestern University, Evanston, IL
October 15-16, 2004*

CONFERENCE PROGRAM

Friday, October 15th

12:00 noon Registration Desk Opens

Norris University Center, 2nd Floor, Louis Lobby

1:00 1:30 Opening Session

Opening Remarks, by Lawrence C. Marsh* (University of Notre Dame)
Indiana Room, Norris University Center, 2nd Floor

1:30 3:30 Parallel Sessions

Session 1: Econometric Theory I

Indiana Room, Norris University Center, 2nd Floor
Session chair: Amos Golan

[Understanding Instrumental Variables](#), by James Heckman* (University of Chicago) and Sergio Urzua (University of Chicago)

[Nonlinear Panel Data Models with Lagged Dependent Variables](#), by Xiaohong Chen (NYU) and Edward Vytlačil* (Stanford University)

[Image Reconstruction: An Information Theoretic Approach](#), by Avi Bhati (Urban Institute), Bahattin Buyuksahin (American University), and Amos Golan* (American University)

1:30 3:00 Parallel Session

Session 2: Macroeconometrics I

Purdue Room B, Norris University Center, 1st Floor
Session chair: Masao Ogaki

[The Marshallian Macroeconomic Model: A Progress Report](#), by Arnold Zellner* (University of Chicago) and Guillermo Israilevich (University of Chicago)

[Testing for and Quantifying Frequency Dependence in Feedback Time Series Relationships, with an Application to the Phillips Curve](#), by Richard Ashley* (VPI & SU) and Randal J. Verbrugge (Bureau of Labor Statistics)

[Interpreting Permanent Shocks to Inflation when Money Growth is Endogenous](#), by John Keating* (University of Kansas)

[A Spurious Regression Approach to Estimating Structural Parameters](#), by Chi-Young Choi (University of New Hampshire), Ling Hu (Ohio State University), and Masao Ogaki* (Ohio State University)

1:30 3:30 Parallel Sessions (continued)

Session 3: Empirical Approaches I

Iowa Room, Norris University Center, 2nd Floor
Session chair: Amil Petrin



[Forecasting U.S. Business Fixed Investment Spending](#), by David Rapach* (Saint Louis University) and Mark Wohar (University of Nebraska)



[Who's Patenting in the University? Evidence from the Survey of Doctorate Recipients](#), by Paula Stephan (Georgia State University), Shiferaw Gurmu* (Georgia State University), A.J. Sumell (Georgia State University), and Grant Black (Georgia State University)



[Estimation of a Discrete Choice Model When Individual Choices are Not Observable](#), by Lyubov A. Kurkalova* (Iowa State University) and Sergey Rabotyagov (Iowa State University)



[Omitted Product Attributes in Differentiated Product Models](#), by Amil Petrin* (University of Chicago and NBER) and Kenneth Train (University of California, Berkeley)



Session 4: Volatility

Purdue Room A, Norris University Center, 1st Floor
Session chair: Torben G. Andersen

[Nonparametric Estimation of Volatility Models with Serially Dependent Innovations](#), by Christian M. Dahl* (Purdue University) and Michael Levine (Purdue University)



[Simultaneous Equations and Weak Instruments under Conditionally Heteroscedastic Disturbances](#), by Emma M. Iglesias* (Michigan State University) and Garry D.A. Phillips (Cardiff University)

[Volatility Spillover and Co-movement: Some New Evidence from Singapore](#), by Lakshmi Bala* (Pennsylvania State University) and Gamini Premaratne (National University of Singapore)



[Some Like it Smooth, and Some Like it Rough: Untangling Continuous and Jump Components in Measuring, Modeling, and Forecasting Asset Return Volatility](#), by Torben G. Andersen* (Northwestern University), Tim Bollerslev (Duke University), and Francis Diebold (University of Pennsylvania)



3:30 ♦ 4:00 ♦ Break



4:00 ♦ 5:30 ♦ Parallel Sessions



Session 5: Econometric Theory II

Indiana Room, Norris University Center, 2nd Floor
Session Chair: Ana María Herrera



[Uniform Convergence Rates for Nonparametric Estimation](#), by Bruce Hansen* (University of Wisconsin)



[The MIDAS Touch: Mixed Data Sampling Regression Models](#), by Eric Ghysels* (University of North Carolina), Pedro Santa-Clara (UCLA), and Rossen Valkanov (UCLA)



[Dynamic Censored Regression and the Open Market Desk Reaction Function](#), by Robert de Jong (Ohio State University) and Ana María Herrera* (Michigan State University)

Session 6: Bayesian Methods

Iowa Room, Norris University Center, 2nd Floor
Session chair: George Chang

[Bayesian Analysis of Cointegration in a Structural Error Correction Model](#), by Chew Lian Chua (University of Melbourne) and Peter M. Summers* (Melbourne Institute of Applied Economic and Social Research and Federal Reserve Bank of Kansas City)

[Stochastic Search Model Selection for Restricted VAR Models](#), by Edward George (University of Pennsylvania), Dongchu Sun (University of Missouri-Columbia), and Shawn Ni* (University of Missouri-Columbia)

[A Bayesian Analysis of Log-Periodic Precursors to Financial Crashes](#), by George Chang* (University of Missouri-Kansas City) and James Feigenbaum (University of Pittsburgh)



Session 7: Estimation Methods

Purdue Room B, Norris University Center, 1st Floor

Session chair: Zhong Zhao

[Combining Datasets to Overcome Selection Caused by Censoring and Truncation in Moment Based Models](#), by Paul Devereux (UCLA) and Gautam Tripathi* (University of Wisconsin, Madison)



[Efficient Estimation of Average Treatment Effects with Mixed Categorical and Continuous Data](#), by Qi Li (Texas A&M University), Jeff Racine* (Syracuse University), and Jeff Wooldridge (Michigan State University)



[Data Issues of Using Matching Methods to Estimate Treatment Effects: An Illustration with NSW Data Set](#), by Zhong Zhao* (Peking University)

Session 8: Semiparametric and Nonparametric Methods

Purdue Room A, Norris University Center, 1st Floor

Session chair: Kusum Mundra

[Semiparametric Bayesian Inference for Dynamic Tobit Panel Data Models with Unobserved Heterogeneity](#), by Tong Li (Indiana University) and Xiaoyong Zheng* (Indiana University)



[Testing a Nonparametric Null Hypothesis against a Nonparametric Alternative](#), by Arie Beresteanu* (Duke University)

[Nonparametric Slope Estimators for Fixed-Effect Panel Data](#), by Kusum Mundra* (San Diego State University)



Reception 6:00 7:00, and Dinner 7:00

Northwestern Room, Norris University Center, 1st Floor



After Dinner Presentation: [Lars P. Hansen](#) (University of Chicago)



Saturday, October 16th

9:00 10:00 Parallel Session

Session 9: Econometric Theory III

Leverone Hall, G36

Session chair: Song Xi Chen

[An Alternative Asymptotic Analysis of Residual-Based Statistics](#), by Elena Andreou* (University of Cyprus) and Bas J.M. Werker (Tilburg University)



[On the Second Order Properties of Empirical Likelihood with Moment Restrictions](#), by Song Xi Chen* (Iowa State University) and Hengjian Cui (Beijing Normal University)

9:00 10:30 Parallel Sessions



Session 10: Cointegration
Leverone Hall, G42
Session chair: A.K.M. Mahbub Morshed

[Money Demand Function Estimation by Nonlinear Cointegration](#), by Youngsoo Bae* (Ohio State University) and Robert M. de Jong (Ohio State University)

[Searching for Cointegration in a Dynamic System](#), by Zhongjun Qu* (Boston University)

[Price Index Convergence among Indian Cities: A Cointegration Approach](#), by A.K.M. Mahbub Morshed* (Washington State University), Sung K. Ahn (Washington State University), and Minsoo Lee (Lincoln University)

Session 11: Bootstrap and Jackknife
Leverone Hall, G43
Session chair: Nelson C. Mark

[The Bootstrap's Finite Sample Distribution: An Analytical Approach](#), by Lawrence C. Marsh* (University of Notre Dame)

[Bagging Time Series Models](#), by Atsushi Inoue (North Carolina State University) and Lutz Kilian* (University of Michigan)

[The Use of Predictive Regressions at Alternative Horizons in Finance and Economics](#), by Nelson C. Mark* (University of Notre Dame and NBER) and Donggyu Sul (University of Auckland)

Session 12: Testing Methods I
Leverone Hall, G44
Session chair: Serena Ng

[Optimal Test for Markov Switching](#), by Marine Carrasco (University of Rochester), Liang Hu* (University of Rochester), and Werner Ploberger (University of Rochester)

[Detecting Mean Reversion in Real Exchange Rates from a Multiple Regime STAR Model](#), by Frédérique Bec (CREST-ENSAE), Melika Ben Salem (Université de Marne-la-Vallée), and Marine Carrasco* (University of Rochester)

[Testing Cross-Section Correlation in Panel Data Using Spacings](#), by Serena Ng* (University of Michigan)

Session 13: Nonparametric Methods
Leverone Hall, G45
Session chair: Dek Terrell

[Nonparametric Regression under Alternative Data Environments](#), by Abdoul G. Sam* (University of Arizona) and Alan P. Ker (University of Arizona)

[Finite Sample Performance of Backfitting, Marginal Integration and Two Stage Estimators under Common Bandwidth Selection Criterion](#), by Carlos Martins-Filho (Oregon State University) and Ke Yang* (Oregon State University)

[Does Theory Matter: Assessing the Impact of Monotonicity and Concavity Constraints on Forecasting Accuracy](#), by Dennis Edwards (Coastal Carolina University) and Dek Terrell* (Louisiana State University)

10:30 Break

11:00 12:30 Parallel Sessions

Session 14: Financial Econometrics

Leverone Hall, G36
Session chair: Qiang Zhang

[An Unbiased Measure of Realized Variance](#), by Peter Reinhard Hansen* (Brown University) and Asger Lunde (Aarhus School of Business)

[Estimation of Partial Differential Equation with Application in Finance](#), by Dennis Kristensen* (University of Wisconsin-Madison)

[Accounting for Human Capital and Weak Identification in Evaluating the Epstein-Zin-Weil Non-expected Utility Model of Asset Pricing](#), by Qiang Zhang* (University of Memphis)

Session 15: Testing Methods II

Leverone Hall, G42
Session chair: Claude Lopez



[Monotonic Power in Tests for Changing Mean](#), by Ted Juhl* (University of Kansas) and Zhijie Xiao (Boston College)



[Testing for a Unit Root with a Nonlinear Fourier Function](#), by Walter Enders and Junsoo Lee* (University of Alabama)

[An Improved Panel Unit Root Test Using GLS-Detrending](#), by Claude Lopez* (University of Cincinnati)

Session 16: Estimation and Testing

Leverone Hall, G43
Session chair: Avinash Singh Bhati

[Deconvolution Estimator of Treatment Effect Distribution](#), by Ximing Wu* (University of Guelph) and Jeffrey Perloff (University of California, Berkeley)

[Selection of Competing Structural Econometric Models](#), by Tong Li* (Indiana University)

[Extracting Information from Observed Counts](#), by Avinash Singh Bhati* (Urban Institute)



Session 17: Macroeconometrics II

Leverone Hall, G44
Session chair: Stephen Gordon

[Combined Forecasts, Hidden Common Factors, and International Linkages](#), by Yongil Jeon* (Central Michigan University)

[Reduced-Rank Identification of Structural Shocks in VARs](#), by Yuriy Gorodnichenko* (University of Michigan)

[Learning, Forecasting and Structural Breaks](#), by John Maheu (University of Toronto) and Stephen Gordon* (Université Laval)



Session 18: Panel Data

Leverone Hall, G45
Session chair: Sheng-Kai Chang

[Identification in Discrete Choice Models with Fixed Effects](#), by Edward G. Johnson* (Bureau of Labor Statistics)

[Specification Testing in Panel Data Models Estimated by Fixed Effects with Instrumental Variables](#), by Carrie Falls* (Michigan State University)

[Simulation Estimation of Dynamic Panel Tobit Models](#), by Sheng-Kai Chang* (Wayne State University)



12:30 2:00 Lunch
Leverone Hall

2:00 3:30 Parallel Sessions

Session 19: Time Series
Leverone Hall, G42
Session chair: Chi-Young Choi

[Normalization and Mixed Degrees of Integration in Cointegrated Time Series Systems](#), by Robert J. Rossana* (Wayne State University)

[On the Long-Run Variance Ratio Test for a Unit Root](#), by Ye Cai (Vanderbilt University) and Mototsugu Shintani* (Vanderbilt University)

[Bias Reduction by Recursive Mean Adjustment in Dynamic Panel Data Models](#), by Chi-Young Choi* (University of New Hampshire), Nelson C. Mark (University of Notre Dame and NBER), and Donggyu Sul (University of Auckland)

Session 20: Empirical Approaches II
Leverone Hall, G43
Session chair: Joseph Terza

[The Human Capital Dynamic Linkage in Early Childhood Development: How Pre-Kindergarten Experience Affects Schooling Outcomes](#), by Xuejuan Su* (University of Alabama)

[An Econometric Framework for Analyzing Health Policy with Non-experimental Data](#), by Joseph Terza* (Medical University of South Carolina)

[Econometric Analysis of Prenatal Advice as a Preventive Measure for Fetal Alcohol Syndrome](#), by Donald Kenkel (Cornell University), Tsui-Fang Lin (Cornell University), Shinichi Sakata* (University of British Columbia), and Joseph Terza (Medical University of South Carolina)

Session 21: Macroeconomics III
Leverone Hall, G44
Session chair: Ming Chien Lo

[Permanent and Transitory Movements in Output and Unemployment: Okun's Law Persists](#), by Tara Sinclair* (Washington University)

[Nonparametric Estimation of Demand and Supply Shocks in East Asia](#), by Tsunao Okumura* (Yokohama National University)

[An Alternative Approach to the Analysis of the U.S. per-Capita Income Convergence](#), by Ming Chien Lo* (St. Cloud State University) and Mark Partridge (University of Saskatchewan)

Session 22: Exchange Rates
Leverone Hall, G45
Session chair: Rehim Kilic

[Evaluating the Predictability of Exchange Rates Using Long Horizon Regressions: Mind your p's and q's!](#), by Michael W. McCracken* (University of Missouri-Columbia) and Stephen Sapp (University of Western Ontario)

[Purchasing Power Parity under a Taylor Rule Type Monetary Policy](#), by Hyeongwoo Kim* (Ohio State University)

[Asymmetry and Nonlinearity in Uncovered Interest Rate Parity](#), by Rehim Kilic* (Georgia Institute of Technology)

