

Instructions for the supplementary codes of 'Adaptive Grids for the Estimation of Dynamic Programming Models'

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Instructions:

- The codes solves the bus engine replacement model of Rust (1987) both using a fixed grid and the flexible grid proposed in the paper.
- As in Section 2.3.3 of the paper, a monte carlo study is conducted to estimate the model parameters using both, the flexible and fixed grid.
- The main file to run the codes is 'Main.m'. It reproduces Table 3 and 5 in the paper depending on the choice of cost function and θ_2 parameter.
- Please use Matlab R2017a or a more recent version to run the codes.