

Summary of log likelihood in statsmodel:

$$\text{CDF} \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)}$$

Log-likelihood of the multinomial logit model.

$$\ln L = \sum_{i=1}^n \sum_{j=0}^J d_{ij} \ln \left(\frac{\exp(\beta'_j x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)} \right)$$

Log-likelihood of the multinomial logit model for each observation.

$$\ln L_i = \sum_{j=0}^J d_{ij} \ln \left(\frac{\exp(\beta'_j x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)} \right)$$

Score matrix for multinomial logit model log-likelihood.

$$\frac{\partial \ln L}{\partial \beta_j} = \sum_i \left(d_{ij} - \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)} \right) x_i$$

Jacobian matrix for multinomial logit model log-likelihood.

$$\frac{\partial \ln L_i}{\partial \beta_j} = \left(d_{ij} - \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)} \right) x_i$$

Multinomial logit Hessian matrix of the log-likelihood.

$$\frac{\partial^2 \ln L}{\partial \beta_j \partial \beta_l} = - \sum_{i=1}^n \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)} \left[\mathbf{1}(j=l) - \frac{\exp(\beta'_l x_i)}{\sum_{k=0}^J \exp(\beta'_k x_i)} \right] x_i x'_l$$

where $\mathbf{1}(j=l)$ equals 1 if $j=l$ and 0 otherwise.

Summary of equivalent values for the bid-choice function from Hurtubia:

$$\text{CDF (for each i HH)} \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \frac{\exp\left(\frac{-R_i - a - \gamma r_i}{2\sigma^2}\right)}{\sqrt{2\pi\sigma^2}}$$

Log-likelihood of the BC model.

$$\ln L = \sum_{i=1}^H \sum_{j=0}^L d_{ij} \ln \left(\frac{\exp(\beta'_j x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \frac{\exp\left(\frac{-R_i - a - \gamma r_i}{2\sigma^2}\right)}{\sqrt{2\pi\sigma^2}} \right)$$

Log-likelihood of the BC model for each HH observation.

$$\ln L_i = \sum_{j=0}^L d_{ij} \ln \left(\frac{\exp(\beta'_j x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \frac{\exp\left(\frac{-R_i - a - \gamma r_i}{2\sigma^2}\right)}{\sqrt{2\pi\sigma^2}} \right)$$

Score matrix for BC model log-likelihood.

$$\frac{\partial \ln L}{\partial \beta_j} = \sum_{i=1}^H \left(d_{ij} - \left(\frac{d_{ij}\gamma}{2\sigma^2} + 1 \right) \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \right) x_i$$

$$\frac{\partial \ln L}{\partial \sigma} = \sum_{i=1}^H \left(d_{ij} \left(R_i - a - \gamma \ln \left(\sum_j \exp(\beta'_j x_i) \right) \right) - \frac{2}{\sigma} \right)$$

$$\frac{\partial \ln L}{\partial a} = \sum_{i=1}^H \left(\frac{-d_{ij}}{2\sigma^2} \right)$$

$$\frac{\partial \ln L}{\partial \gamma} = \sum_{i=1}^H \left(\frac{-d_{ij} \ln(\sum_j \exp(\beta'_j x_i))}{2\sigma^2} \right)$$

Jacobian matrix for BC model log-likelihood.

$$\frac{\partial \ln L_i}{\partial \beta_j} = \left(d_{ij} - \left(\frac{d_{ij}\gamma}{2\sigma^2} + 1 \right) \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \right) x_i$$

$$\frac{\partial \ln L_i}{\partial \sigma} = \left(d_{ij} \left(R_i - a - \gamma \ln \left(\sum_j \exp(\beta'_j x_i) \right) \right) - \frac{2}{\sigma} \right)$$

$$\frac{\partial \ln L_i}{\partial a} = \left(\frac{-d_{ij}}{2\sigma^2} \right)$$

$$\frac{\partial \ln L_i}{\partial \gamma} = \left(\frac{-d_{ij} \ln(\sum_j \exp(\beta'_j x_i))}{2\sigma^2} \right)$$

BC Hessian matrix of the log-likelihood.

$$\frac{\partial^2 \ln L}{\partial \beta_j \partial \beta_l} = - \sum_{i=1}^H \left(\frac{d_{ij}\gamma}{2\sigma^2} + 1 \right) \frac{\exp(\beta'_j x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \left[\mathbf{1}(j=l) - \frac{\exp(\beta'_l x_i)}{\sum_{k=0}^L \exp(\beta'_k x_i)} \right] x_i x'_l$$

where $\mathbf{1}(j=l)$ equals 1 if $j=l$ and 0 otherwise.

$$\frac{\partial^2 \ln L}{\partial \beta_j \partial \sigma} = \sum_{i=1}^H \left(\frac{\gamma d_{ij} x_i}{\sigma^3} \right) \frac{\exp(\beta'_j x_i)}{\sum_j \exp(\beta'_j x_i)}$$

$$\frac{\partial^2 \ln L}{\partial \beta_j \partial a} = \sum_{i=1}^H 0$$

$$\frac{\partial^2 \ln L}{\partial \beta_j \partial \gamma} = \sum_{i=1}^H \left(\frac{-d_{ij}}{2\sigma^2} \right) \frac{\exp(\beta'_j x_i)}{\sum_j \exp(\beta'_j x_i)}$$

$$\frac{\partial^2 \ln L}{\partial \sigma \partial a} = \sum_{i=1}^H \frac{d_{ij}}{\sigma^3}$$

$$\frac{\partial^2 \ln L}{\partial \sigma \partial \gamma} = \sum_{i=1}^H \frac{d_{ij} \ln(\sum_j \beta'_j x_i)}{\sigma^3}$$

$$\frac{\partial^2 \ln L}{\partial a \partial \gamma} = \sum_{i=1}^H 0$$