

# Macro Assignment 5

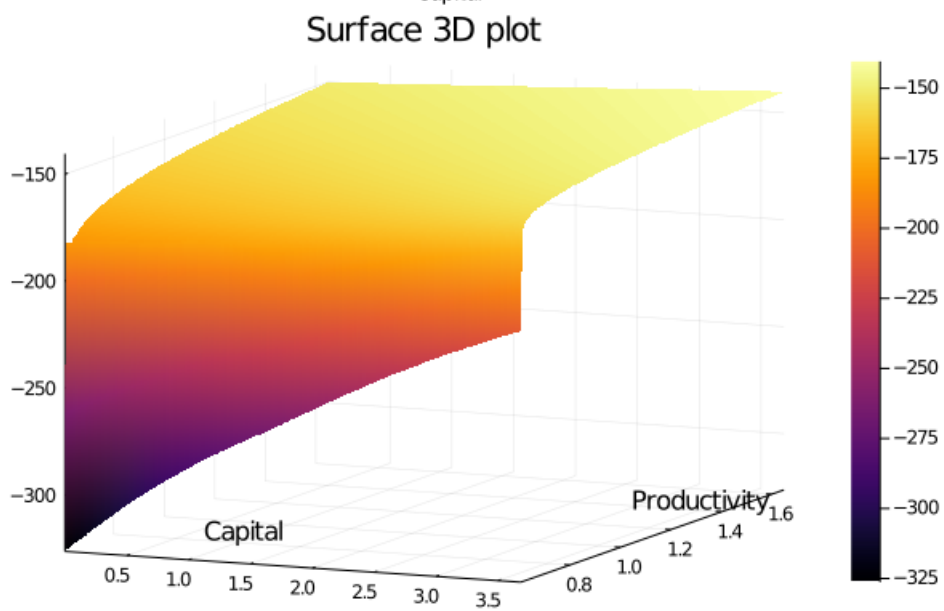
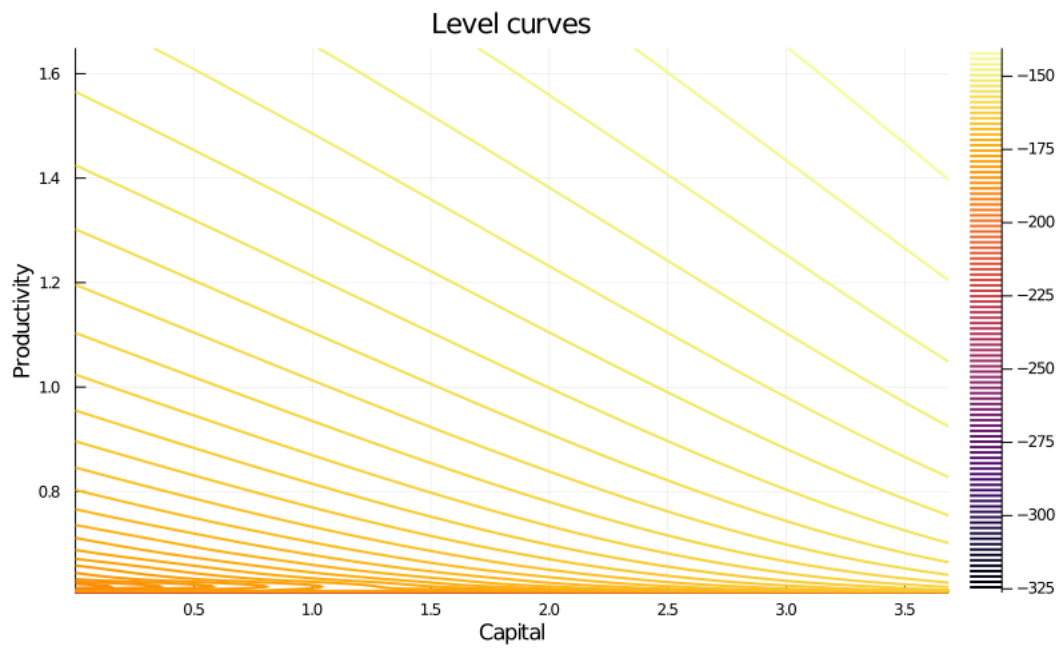
Xun Chen

## 1 question 1

Table 1: Table 1: Moments of AR(1)

	Data	Tauchen N=5	Tauchen N=10	Rouwenhorst N=5	Rouwenhorst N=10
mean	0.213	-0.169	-0.038	0.149	0.085
var	20.97	13.744	12.169	21.05	20.617
skew	0.027	0.06	0.031	-0.007	0.019
kurt	-0.071	-0.95	-0.953	-0.523	-0.344
1st order acorr	0.9	0.835	0.841	0.898	0.899
2nd order acorr	0.809	0.702	0.712	0.807	0.806
3rd order acorr	0.726	0.599	0.602	0.726	0.723
4th order acorr	0.654	0.507	0.511	0.653	0.649

## 2 question 2



Discussed with Hans and Chong.