Numerical Appendix

The numerical appendix contains – for all 10 cases and for all available simulations at the time of the computation – the following results:

- contemporaneous covariance matrices of consumption and capital,
- auto– and cross– correlations of consumption and capital for up to 10 lags,
- univariate autoregressions for consumption
- univariate autoregressions for capital
- regressions of consumption resp. capital on both consumption and capital

- contemporaneous covariance matrices of first differences in consumption and capital
- regressions of first differences in consumption and capital on both consumption and capital, including R^2.

The numbers were computed using RATS. The program is to a substantial part due to A. Hossain.

Harald Uhlig, Institute for empirical macroecon., Minneapolis, Sep. 1988

SIMULATION INGRAM ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

0.56	
3.94	27.79

SIMULATION MARCET ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

1.17	
7.68	50.64

SIMULATION TAUCHEN ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

1.02	
5.71	34.36

SIMULATION GAGNON ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

0.74	
4.92	33.06

SIMULATION LogLQ - Normal ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

1.99

12.77 82.96

SIMULATION LogLQ - Markov ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

0.93
5.99 38.90

SIMULATION Coleman ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

0.76
4.45 26.27

SIMULATION LinLQ - Normal ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

1.02
5.71 34.36

SIMULATION LinLQ - Markov ****

CASE 1.: COVARIANCE MATRICES OF C, AND K

0.02
0.14 0.90

SIMULATION INGRAM ****
CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	1.00	1.00	

2.	1.00	1.00	0.99	0.99
3.	0.99	0.99	0.97	0.98
4.	0.98	0.98	0.96	0.96
5.	0.96	0.96	0.94	0.95
6.	0.94	0.94	0.92	0.93
7.	0.92	0.92	0.89	0.90
8.	0.90	0.90	0.87	0.88
9.	0.87	0.87	0.84	0.85
10.	0.84	0.85	0.81	0.82

SIMULATION MARCET ****

CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	1.00	
2.	1.00	1.00	0.98	0.99	
3.	0.99	0.99	0.96	0.99	
4.	0.98	0.97	0.94	0.97	
5.	0.96	0.96	0.92	0.96	
6.	0.94	0.94	0.89	0.94	
7.	0.92	0.91	0.86	0.92	
8.	0.89	0.89	0.84	0.89	
9.	0.87	0.86	0.81	0.86	
10.	0.84	0.83	0.78	0.84	

SIMULATION TAUCHEN ****

CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.97	
2.	1.00	0.99	0.95	0.96	
3.	0.99	0.98	0.94	0.96	
4.	0.98	0.97	0.92	0.95	
5.	0.97	0.95	0.91	0.94	
6.	0.96	0.94	0.89	0.93	
7.	0.94	0.92	0.87	0.91	
8.	0.93	0.90	0.85	0.90	
9.	0.91	0.88	0.83	0.88	
10.	0.89	0.86	0.81	0.86	

SIMULATION GAGNON ****

CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.98	0.99	
2.	0.99	0.99	0.96	0.99	
3.	0.98	0.98	0.94	0.98	
4.	0.97	0.96	0.92	0.97	
5.	0.95	0.94	0.90	0.95	
6.	0.94	0.92	0.88	0.93	
7.	0.92	0.90	0.86	0.91	
8.	0.89	0.88	0.83	0.89	
9.	0.87	0.85	0.81	0.87	
10.	0.85	0.83	0.78	0.85	

SIMULATION LogLQ - Normal ****

CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	0.99	
2.	1.00	1.00	0.98	0.99	
3.	0.99	0.99	0.97	0.98	
4.	0.98	0.98	0.96	0.97	
5.	0.97	0.96	0.94	0.95	
6.	0.95	0.95	0.92	0.94	
7.	0.93	0.93	0.90	0.92	

8.	0.91	0.91	0.88	0.90
9.	0.89	0.89	0.85	0.87
10.	0.87	0.86	0.83	0.85

SIMULATION LogLQ - Markov ****
CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	0.99	0.98	0.99
3.	0.99	0.99	0.97	0.99
4.	0.98	0.98	0.95	0.98
5.	0.97	0.96	0.94	0.97
6.	0.96	0.95	0.92	0.95
7.	0.94	0.94	0.90	0.94
8.	0.93	0.92	0.89	0.92
9.	0.91	0.90	0.87	0.91
10.	0.89	0.88	0.85	0.89

SIMULATION Coleman ****
CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	0.99	0.97	0.99
3.	0.99	0.98	0.95	0.98
4.	0.97	0.97	0.93	0.97
5.	0.95	0.95	0.91	0.95
6.	0.93	0.93	0.88	0.92
7.	0.91	0.90	0.85	0.90
8.	0.88	0.87	0.82	0.87
9.	0.85	0.84	0.78	0.84
10.	0.81	0.81	0.75	0.81

SIMULATION LinLQ - Normal ****
CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.96	0.97
2.	1.00	0.99	0.95	0.96
3.	0.99	0.98	0.94	0.96
4.	0.98	0.97	0.92	0.95
5.	0.97	0.95	0.91	0.94
6.	0.96	0.94	0.89	0.93
7.	0.94	0.92	0.87	0.91
8.	0.93	0.90	0.85	0.90
9.	0.91	0.88	0.83	0.88
10.	0.89	0.86	0.81	0.86

SIMULATION LinLQ - Markov ****
CASE 1.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.97	1.00
3.	0.99	0.99	0.96	0.99
4.	0.98	0.98	0.94	0.98
5.	0.97	0.96	0.92	0.97
6.	0.95	0.94	0.90	0.95
7.	0.93	0.92	0.87	0.93
8.	0.91	0.90	0.85	0.91
9.	0.89	0.88	0.82	0.89
10.	0.86	0.85	0.79	0.86

SIMULATION INGRAM ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				
1.83	-0.84			
1.78	-0.71	-0.07		
1.77	-0.77	0.06	-0.07	

SIMULATION MARCET ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				
1.59	-0.59			
1.43	-0.17	-0.26		
1.40	-0.20	-0.09	-0.12	

SIMULATION TAUCHEN ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.99				
1.08	-0.09			
1.06	0.09	-0.16		
1.05	0.10	-0.05	-0.10	

SIMULATION GAGNON ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.99				
1.42	-0.43			
1.40	-0.36	-0.05		
1.40	-0.41	0.15	-0.14	

SIMULATION LogLQ - Normal ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				
1.45	-0.46			
1.36	-0.16	-0.20		
1.33	-0.19	0.00	-0.15	

SIMULATION LogLQ - Markov ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				

1.29	-0.30		
1.22	0.02	-0.24	
1.17	0.02	-0.01	-0.19

SIMULATION Coleman ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
1.00				
1.58	-0.58			
1.42	-0.17	-0.26		
1.39	-0.19	-0.08	-0.13	

SIMULATION LinLQ - Normal ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.08	-0.09			
1.06	0.09	-0.16		
1.05	0.10	-0.05	-0.10	

SIMULATION LinLQ - Markov ****

CASE 1.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
1.00				
1.50	-0.51			
1.36	-0.09	-0.28		
1.32	-0.11	-0.06	-0.16	

SIMULATION INGRAM ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.88	-0.89			
1.95	-1.02	0.07		
1.95	-1.10	0.22	-0.07	

SIMULATION MARCET ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.87	-0.88			
1.84	-0.81	-0.03		
1.84	-0.81	-0.04	0.01	

SIMULATION TAUCHEN ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.87	-0.87			
1.85	-0.83	-0.02		
1.85	-0.82	-0.06	0.02	

SIMULATION GAGNON ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.83	-0.83			
1.92	-1.03	0.11		
1.93	-1.14	0.32	-0.11	

SIMULATION LogLQ - Normal ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.90	-0.91			
1.97	-1.04	0.07		
1.96	-0.99	-0.03	0.05	

SIMULATION LogLQ - Markov ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.85	-0.85			
1.80	-0.75	-0.06		
1.80	-0.74	-0.07	0.01	

SIMULATION Coleman ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.86	-0.87			
1.82	-0.78	-0.04		
1.82	-0.80	0.00	-0.02	

SIMULATION LinLQ - Normal ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				

1.87	-0.87		
1.85	-0.83	-0.02	
1.85	-0.82	-0.06	0.02

SIMULATION LinLQ - Markov ****

CASE 1.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.89	-0.89		
1.88	-0.88	-0.01	
1.88	-0.88	0.01	-0.01

SIMULATION INGRAM ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	2.40				-0.20			
K	10.16				-0.44			
C	1.55	-0.38			0.04	-0.06		
K	3.22	-2.15			1.39	-0.55		
C	2.07	-1.17	0.28		-0.05	0.08	-0.06	
K	3.21	-4.13	2.06		1.40	-0.28	-0.29	
C	1.24	1.12	-1.26	0.08	0.09	-0.33	0.28	-0.06
K	-1.09	7.93	-6.26	0.57	2.12	-2.45	1.48	-0.33

SIMULATION MARCET ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.71				-0.11			
K	5.35				0.18			
C	0.95	0.02			0.13	-0.13		
K	0.49	0.10			1.71	-0.81		
C	1.03	-0.11	0.02		0.10	-0.08	-0.02	
K	0.84	-0.40	0.04		1.60	-0.60	-0.08	
C	1.03	-0.20	0.12	0.03	0.11	-0.05	-0.07	0.02
K	0.83	-0.74	0.42	0.08	1.61	-0.50	-0.27	0.06

SIMULATION TAUCHEN ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.96				0.01			
K	0.33				0.94			
C	0.84	0.08			0.17	-0.15		
K	0.03	-0.01			1.86	-0.87		
C	0.84	0.11	-0.03		0.17	-0.17	0.01	
K	0.04	-0.03	0.01		1.84	-0.82	-0.02	
C	0.84	0.11	-0.02	-0.02	0.17	-0.18	0.02	0.00

K	0.04	-0.03	0.05	-0.04	1.84	-0.80	-0.07	0.03

SIMULATION GAGNON ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.31				-0.05			
K	2.96				0.55			
C	1.00	-0.20			0.13	-0.11		
K	0.14	-0.26			1.83	-0.81		
C	0.98	-0.29	0.14		0.15	-0.12	-0.01	
K	-0.49	0.25	0.31		2.10	-1.28	0.16	
C	0.90	-0.03	-0.09	-0.02	0.18	-0.24	0.15	-0.06
K	-0.74	1.14	-0.55	0.04	2.19	-1.68	0.71	-0.21

SIMULATION LogLQ - Normal ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.03				-0.01			
K	1.26				0.80			
C	0.94	-0.10			0.14	-0.11		
K	0.09	-0.09			1.89	-0.89		
C	0.97	-0.16	0.04		0.12	-0.08	-0.02	
K	-0.03	-0.05	0.09		1.97	-1.04	0.06	
C	0.97	-0.17	0.03	0.03	0.12	-0.07	-0.03	0.00
K	0.00	-0.19	0.05	0.18	1.96	-0.92	-0.10	0.05

SIMULATION LogLQ - Markov ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.23				-0.04			
K	2.83				0.56			
C	0.74	0.06			0.17	-0.15		
K	0.09	0.12			1.80	-0.83		
C	0.76	0.06	-0.04		0.16	-0.13	-0.01	
K	0.22	0.02	-0.08		1.73	-0.70	-0.05	
C	0.76	0.08	0.03	-0.12	0.16	-0.13	0.00	0.01
K	0.21	0.05	0.09	-0.28	1.73	-0.71	-0.06	0.03

SIMULATION Coleman ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.83				-0.14			

K	5.62				0.04			
C	0.87	0.08			0.16	-0.15		
K	0.05	0.26			1.81	-0.87		
C	1.09	-0.27	0.08		0.09	-0.02	-0.06	
K	0.84	-0.92	0.24		1.56	-0.40	-0.19	
C	1.05	-0.58	0.37	0.11	0.10	0.08	-0.21	0.04
K	0.73	-1.96	1.25	0.33	1.59	-0.09	-0.71	0.14

SIMULATION LinLQ - Normal ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.96				0.01				
K	0.33				0.94				
C	0.84	0.08			0.17	-0.15			
K	0.03	-0.01			1.86	-0.87			
C	0.84	0.11	-0.03		0.17	-0.17	0.01		
K	0.04	-0.03	0.01		1.84	-0.82	-0.02		
C	0.84	0.11	-0.02	-0.02	0.17	-0.18	0.02	0.00	
K	0.04	-0.03	0.05	-0.04	1.84	-0.80	-0.07	0.03	

SIMULATION LinLQ - Markov ****

CASE 1.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.48				-0.08				
K	3.68				0.42				
C	0.93	0.03			0.14	-0.13			
K	0.04	0.07			1.86	-0.88			
C	0.89	0.08	-0.01		0.15	-0.16	0.01		
K	-0.14	0.26	0.00		1.93	-1.00	0.04		
C	0.88	0.16	-0.07	-0.02	0.15	-0.19	0.06	-0.02	
K	-0.15	0.51	-0.21	-0.06	1.93	-1.09	0.19	-0.05	

SIMULATION INGRAM ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.02	0.15

SIMULATION MARCET ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01
0.05 0.29

SIMULATION TAUCHEN ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.02
0.02 0.14

SIMULATION GAGNON ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01
0.03 0.15

SIMULATION LogLQ - Normal ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.02
0.06 0.38

SIMULATION LogLQ - Markov ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01
0.03 0.16

SIMULATION Coleman ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01	
0.03	0.17

SIMULATION LinLQ - Normal ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.02	
0.02	0.14

SIMULATION LinLQ - Markov ****

CASE 1.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.00

SIMULATION INGRAM ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				
C	1.40				-0.20				
K	10.17				-1.44				
C	0.55	-0.38			0.04	-0.06			
K	3.23	-2.17			0.39	-0.55			
C	1.08	-1.19	0.29		-0.05	0.08	-0.06		
K	3.27	-4.21	2.11		0.39	-0.27	-0.29		
C	0.25	1.11	-1.26	0.08	0.09	-0.33	0.27	-0.06	
K	-1.06	7.87	-6.22	0.56	1.12	-2.44	1.48	-0.33	
R2	0.23	0.70	0.71	0.71	0.25	0.78	0.79	0.79	

SIMULATION MARCET ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	1	2	3	4	1	2	3	4
	LAGS				LAGS			
C	0.71				-0.11			
K	5.35				-0.82			
C	-0.05	0.02			0.13	-0.13		
K	0.49	0.10			0.71	-0.81		
C	0.03	-0.11	0.02		0.10	-0.08	-0.02	
K	0.85	-0.40	0.04		0.60	-0.60	-0.08	
C	0.02	-0.20	0.12	0.03	0.11	-0.05	-0.07	0.02
K	0.83	-0.74	0.42	0.08	0.61	-0.50	-0.27	0.06
R2	0.37	0.42	0.42	0.42	0.71	0.77	0.77	0.77

SIMULATION TAUCHEN ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	2	3	4	K 1	2	3	4
	LAGS				LAGS			
C	-0.04				0.01			
K	0.33				-0.06			
C	-0.16	0.08			0.17	-0.15		
K	0.03	-0.01			0.86	-0.87		
C	-0.16	0.11	-0.03		0.17	-0.17	0.01	
K	0.04	-0.03	0.01		0.84	-0.82	-0.03	
C	-0.16	0.11	-0.02	-0.02	0.17	-0.18	0.02	0.00
K	0.03	-0.03	0.05	-0.04	0.84	-0.80	-0.07	0.03
R2	0.01	0.16	0.16	0.16	0.06	0.76	0.76	0.76

SIMULATION GAGNON ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	2	3	4	K 1	2	3	4
	LAGS				LAGS			
C	0.31				-0.05			
K	2.96				-0.45			
C	0.00	-0.20			0.13	-0.11		
K	0.14	-0.25			0.83	-0.81		
C	-0.02	-0.29	0.14		0.15	-0.12	-0.01	
K	-0.49	0.25	0.31		1.09	-1.28	0.16	
C	-0.10	-0.03	-0.09	-0.02	0.18	-0.24	0.15	-0.06
K	-0.73	1.14	-0.54	0.04	1.19	-1.68	0.71	-0.21
R2	0.14	0.22	0.23	0.23	0.57	0.70	0.71	0.71

SIMULATION LogLQ - Normal ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	2	3	4	K 1	2	3	4
	LAGS				LAGS			
C	0.03				-0.01			

K	1.26				-0.20			
C	-0.06	-0.10			0.14	-0.11		
K	0.09	-0.09			0.89	-0.89		
C	-0.03	-0.16	0.04		0.12	-0.08	-0.02	
K	-0.03	-0.05	0.09		0.97	-1.04	0.06	
C	-0.03	-0.17	0.03	0.03	0.12	-0.07	-0.03	0.00
K	0.00	-0.19	0.05	0.18	0.96	-0.92	-0.10	0.05
R2	0.00	0.36	0.36	0.36	0.09	0.82	0.83	0.83

SIMULATION LogLQ - Markov ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.23				-0.04			
K	2.82				-0.44			
C	-0.26	0.06			0.17	-0.15		
K	0.09	0.12			0.80	-0.84		
C	-0.24	0.06	-0.04		0.16	-0.13	-0.01	
K	0.22	0.02	-0.08		0.73	-0.70	-0.05	
C	-0.24	0.08	0.03	-0.12	0.16	-0.13	0.00	0.01
K	0.21	0.05	0.10	-0.28	0.73	-0.71	-0.06	0.03
R2	0.06	0.23	0.23	0.23	0.42	0.73	0.73	0.73

SIMULATION Coleman ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.83				-0.14			
K	5.62				-0.96			
C	-0.14	0.08			0.16	-0.15		
K	0.05	0.26			0.81	-0.87		
C	0.09	-0.27	0.08		0.09	-0.02	-0.06	
K	0.84	-0.92	0.24		0.56	-0.40	-0.19	
C	0.05	-0.58	0.37	0.11	0.10	0.08	-0.21	0.04
K	0.73	-1.96	1.25	0.33	0.59	-0.09	-0.71	0.14
R2	0.39	0.41	0.41	0.41	0.73	0.75	0.75	0.75

SIMULATION LinLQ - Normal ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.04				0.01			
K	0.33				-0.06			
C	-0.16	0.08			0.17	-0.15		
K	0.03	-0.01			0.86	-0.87		

C	-0.16	0.11	-0.03		0.17	-0.17	0.01	
K	0.04	-0.03	0.01		0.84	-0.82	-0.03	
C	-0.16	0.11	-0.02	-0.02	0.17	-0.18	0.02	0.00
K	0.03	-0.03	0.05	-0.04	0.84	-0.80	-0.07	0.03
R2	0.01	0.16	0.16	0.16	0.06	0.76	0.76	0.76

SIMULATION LinLQ - Markov ****

CASE 1.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				
C	0.48				-0.08				
K	3.68				-0.58				
C	-0.07	0.03			0.14	-0.13			
K	0.04	0.07			0.86	-0.88			
C	-0.11	0.08	-0.01		0.15	-0.16	0.01		
K	-0.14	0.26	0.00		0.93	-1.00	0.04		
C	-0.12	0.16	-0.07	-0.02	0.15	-0.19	0.06	-0.02	
K	-0.15	0.51	-0.21	-0.06	0.93	-1.09	0.19	-0.05	
R2	0.27	0.35	0.35	0.35	0.65	0.79	0.79	0.79	

SIMULATION INGRAM ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

0.15	
1.58	16.55

SIMULATION MARCET ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

1.22	
10.89	105.52

SIMULATION TAUCHEN ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

1.12	
8.41	72.63

SIMULATION GAGNON ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

0.74	
5.19	40.49

SIMULATION LogLQ - Normal ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

0.72

5.57 47.39

SIMULATION LogLQ - Markov ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

2.88
26.52 257.25

SIMULATION Coleman ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

0.72
5.75 49.91

SIMULATION LinLQ - Normal ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

1.70
11.17 80.86

SIMULATION LinLQ - Markov ****

CASE 2.: COVARIANCE MATRICES OF C, AND K

0.02
0.16 1.33

SIMULATION INGRAM ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	1.00	

2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.97	0.99
4.	0.98	0.98	0.95	0.99
5.	0.97	0.97	0.94	0.98
6.	0.96	0.96	0.92	0.97
7.	0.95	0.95	0.91	0.96
8.	0.93	0.94	0.89	0.94
9.	0.92	0.92	0.87	0.93
10.	0.90	0.90	0.85	0.91

SIMULATION MARCET ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.97	
2.	1.00	0.99	0.93	0.98	
3.	0.99	0.98	0.91	0.98	
4.	0.99	0.97	0.89	0.98	
5.	0.98	0.96	0.88	0.98	
6.	0.97	0.94	0.86	0.98	
7.	0.96	0.93	0.84	0.97	
8.	0.95	0.91	0.82	0.97	
9.	0.93	0.89	0.80	0.96	
10.	0.92	0.87	0.78	0.95	

SIMULATION TAUCHEN ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.93	0.94	
2.	1.00	0.94	0.91	0.95	
3.	0.99	0.93	0.90	0.95	
4.	0.98	0.91	0.88	0.95	
5.	0.98	0.90	0.87	0.94	
6.	0.96	0.88	0.85	0.94	
7.	0.95	0.87	0.83	0.93	
8.	0.94	0.85	0.81	0.92	
9.	0.92	0.84	0.80	0.91	
10.	0.90	0.82	0.78	0.90	

SIMULATION GAGNON ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.93	0.95	
2.	0.99	0.98	0.91	0.95	
3.	0.98	0.96	0.89	0.95	
4.	0.97	0.94	0.88	0.95	
5.	0.96	0.92	0.86	0.94	
6.	0.95	0.90	0.84	0.94	
7.	0.94	0.88	0.82	0.93	
8.	0.92	0.86	0.80	0.92	
9.	0.91	0.84	0.79	0.91	
10.	0.89	0.82	0.77	0.89	

SIMULATION LogLQ - Normal ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.94	0.96	
2.	1.00	0.99	0.92	0.97	
3.	0.99	0.97	0.90	0.97	
4.	0.98	0.96	0.87	0.97	
5.	0.97	0.94	0.85	0.97	
6.	0.96	0.92	0.83	0.97	
7.	0.94	0.90	0.81	0.96	

8.	0.93	0.88	0.78	0.95
9.	0.91	0.86	0.76	0.94
10.	0.89	0.84	0.74	0.92

SIMULATION LogLQ - Markov ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.97	0.98
2.	1.00	0.99	0.96	0.98
3.	0.99	0.99	0.95	0.98
4.	0.99	0.98	0.93	0.98
5.	0.98	0.97	0.92	0.98
6.	0.97	0.96	0.91	0.98
7.	0.96	0.96	0.89	0.97
8.	0.95	0.94	0.88	0.97
9.	0.94	0.93	0.86	0.96
10.	0.92	0.92	0.84	0.95

SIMULATION Coleman ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.97
2.	1.00	0.99	0.92	0.98
3.	0.99	0.98	0.90	0.98
4.	0.98	0.96	0.87	0.98
5.	0.97	0.95	0.85	0.98
6.	0.96	0.93	0.83	0.98
7.	0.94	0.91	0.80	0.97
8.	0.93	0.89	0.77	0.96
9.	0.91	0.86	0.75	0.95
10.	0.89	0.84	0.72	0.93

SIMULATION LinLQ - Normal ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.95	0.96
2.	1.00	0.99	0.94	0.96
3.	1.00	0.98	0.93	0.96
4.	0.99	0.97	0.92	0.97
5.	0.99	0.96	0.91	0.96
6.	0.98	0.95	0.90	0.96
7.	0.98	0.93	0.89	0.96
8.	0.97	0.92	0.88	0.95
9.	0.96	0.91	0.87	0.95
10.	0.96	0.90	0.86	0.94

SIMULATION LinLQ - Markov ****
CASE 2.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.97
2.	1.00	0.99	0.93	0.98
3.	1.00	0.98	0.91	0.98
4.	0.99	0.97	0.89	0.99
5.	0.98	0.96	0.87	0.99
6.	0.97	0.94	0.85	0.98
7.	0.96	0.93	0.83	0.98
8.	0.95	0.91	0.81	0.97
9.	0.93	0.89	0.79	0.96
10.	0.92	0.87	0.77	0.95

SIMULATION INGRAM ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				
1.87	-0.88			
1.87	-0.87	0.00		
1.87	-0.90	0.06	-0.04	

SIMULATION MARCET ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.99				
1.11	-0.12			
1.10	-0.01	-0.10		
1.09	-0.01	-0.02	-0.07	

SIMULATION TAUCHEN ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.95				
0.63	0.33			
0.58	0.23	0.16		
0.57	0.22	0.13	0.06	

SIMULATION GAGNON ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.98				
1.14	-0.15			
1.15	-0.29	0.12		
1.16	-0.30	0.17	-0.04	

SIMULATION LogLQ - Normal ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.99				
1.05	-0.06			
1.04	0.02	-0.08		
1.04	0.03	-0.01	-0.07	

SIMULATION LogLQ - Markov ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				

1.13	-0.13		
1.12	-0.06	-0.06	
1.12	-0.06	-0.04	-0.02

SIMULATION Coleman ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.09	-0.10			
1.08	0.00	-0.09		
1.07	0.00	-0.02	-0.07	

SIMULATION LinLQ - Normal ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.04	-0.05			
1.04	0.04	-0.09		
1.04	0.04	-0.12	0.03	

SIMULATION LinLQ - Markov ****

CASE 2.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.09	-0.10			
1.08	0.00	-0.10		
1.07	0.00	0.00	-0.09	

SIMULATION INGRAM ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.74	-0.74			
1.60	-0.41	-0.19		
1.57	-0.46	0.00	-0.12	

SIMULATION MARCET ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.91	-0.91			
1.88	-0.86	-0.03		
1.88	-0.84	-0.06	0.02	

SIMULATION TAUCHEN ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.73	-0.73			
1.58	-0.39	-0.19		
1.57	-0.42	-0.07	-0.08	

SIMULATION GAGNON ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.82	-0.83			
1.88	-0.95	0.07		
1.89	-1.08	0.32	-0.14	

SIMULATION LogLQ - Normal ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.91	-0.91			
1.87	-0.83	-0.04		
1.87	-0.81	-0.09	0.03	

SIMULATION LogLQ - Markov ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.94	-0.94			
2.08	-1.24	0.15		
2.08	-1.23	0.14	0.01	

SIMULATION Coleman ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.91	-0.91			
1.87	-0.83	-0.04		
1.87	-0.85	-0.01	-0.02	

SIMULATION LinLQ - Normal ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				

1.91	-0.91		
1.91	-0.91	0.00	
1.91	-0.87	-0.08	0.04

SIMULATION LinLQ - Markov ****

CASE 2.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.92	-0.92			
1.92	-0.92	0.00		
1.92	-0.92	0.00	0.00	

SIMULATION INGRAM ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.38				-0.04				
K	4.72				0.55				
C	1.85	-0.83			0.00	0.00			
K	10.06	-9.98			1.09	-0.10			
C	1.90	-1.01	0.13		0.01	-0.01	0.00		
K	10.28	-10.70	0.52		1.13	-0.14	0.01		
C	1.90	-0.97	0.00	0.09	0.01	0.00	-0.01	0.00	
K	10.29	-11.12	1.79	-0.87	1.13	-0.21	0.10	-0.02	

SIMULATION MARCET ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.08				-0.01				
K	1.46				0.85				
C	1.03	0.00			0.03	-0.03			
K	0.11	0.02			1.82	-0.84			
C	1.14	-0.11	-0.01		-0.04	0.10	-0.06		
K	0.35	-0.20	-0.02		1.67	-0.55	-0.13		
C	1.13	-0.23	0.13	-0.01	-0.04	0.17	-0.21	0.07	
K	0.34	-0.35	0.14	0.00	1.68	-0.46	-0.32	0.09	

SIMULATION TAUCHEN ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	0.61				0.04				
K	0.59				0.93				
C	0.50	0.06			0.34	-0.29			
K	0.45	-0.04			1.63	-0.68			
C	0.54	0.02	0.03		0.38	-0.39	0.06		
K	0.44	-0.02	-0.02		1.62	-0.66	-0.01		
C	0.54	0.00	0.05	-0.01	0.38	-0.41	0.10	-0.03	

K	0.44	-0.03	-0.02	0.01	1.62	-0.66	-0.01	0.00

SIMULATION GAGNON ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.98				0.00			
K	0.68				0.91			
C	1.09	-0.17			0.04	-0.04		
K	0.03	-0.03			1.82	-0.82		
C	1.14	-0.35	0.13		0.01	0.05	-0.05	
K	-0.07	-0.04	0.13		1.94	-1.04	0.09	
C	1.11	-0.22	0.03	-0.02	0.04	-0.11	0.19	-0.11
K	-0.11	0.18	-0.12	0.04	1.97	-1.29	0.50	-0.19

SIMULATION LogLQ - Normal ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.04				-0.01			
K	1.22				0.85			
C	0.92	0.01			0.09	-0.09		
K	0.07	0.04			1.84	-0.85		
C	0.95	0.00	-0.02		0.06	-0.03	-0.03	
K	0.14	-0.02	-0.02		1.77	-0.72	-0.06	
C	0.95	0.01	-0.01	-0.03	0.06	-0.04	-0.01	-0.01
K	0.14	-0.05	0.05	-0.05	1.77	-0.69	-0.13	0.03

SIMULATION LogLQ - Markov ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.06				-0.01			
K	1.32				0.86			
C	0.98	-0.02			0.07	-0.07		
K	0.13	0.04			1.87	-0.89		
C	1.00	-0.07	0.05		0.06	-0.04	-0.02	
K	-0.02	0.19	0.01		2.05	-1.25	0.18	
C	0.99	-0.06	-0.05	0.11	0.06	-0.05	0.01	-0.01
K	-0.03	0.21	-0.01	0.00	2.06	-1.28	0.22	-0.02

SIMULATION Coleman ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.09				-0.01			

K	1.48				0.83			
C	0.98	0.04			0.05	-0.05		
K	0.05	0.06			1.84	-0.86		
C	1.16	-0.18	0.03		-0.08	0.20	-0.12	
K	0.34	-0.28	0.04		1.64	-0.46	-0.19	
C	1.16	-0.24	0.05	0.04	-0.08	0.24	-0.19	0.03
K	0.33	-0.36	0.05	0.07	1.64	-0.41	-0.28	0.04

SIMULATION LinLQ - Normal ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.97				0.00			
K	0.46				0.94			
C	0.93	-0.03			0.15	-0.13		
K	0.00	0.00			1.91	-0.91		
C	0.94	0.04	-0.08		0.12	-0.09	-0.01	
K	0.00	0.04	-0.04		1.91	-0.92	0.00	
C	0.94	0.03	-0.11	0.04	0.12	-0.09	-0.02	0.00
K	0.00	0.03	-0.04	0.02	1.91	-0.90	-0.04	0.02

SIMULATION LinLQ - Markov ****

CASE 2.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.08				-0.01			
K	1.26				0.84			
C	0.96	0.01			0.08	-0.08		
K	0.05	0.01			1.87	-0.88		
C	0.85	0.13	0.00		0.18	-0.26	0.09	
K	-0.11	0.18	0.00		2.01	-1.14	0.12	
C	0.84	0.28	-0.14	-0.02	0.18	-0.39	0.32	-0.11
K	-0.11	0.35	-0.16	-0.02	2.01	-1.29	0.40	-0.13

SIMULATION INGRAM ****

CASE 2.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.06

SIMULATION MARCET ****

CASE 2.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.02
         0.04     0.27


SIMULATION TAUCHEN                          ****

CASE  2.: COV. MATRICES OF FIRST DIFF IN C AND K


         0.12
        -0.02     0.27


SIMULATION GAGNON                           ****

CASE  2.: COV. MATRICES OF FIRST DIFF IN C AND K


         0.02
         0.02     0.08


SIMULATION LogLQ - Normal                   ****

CASE  2.: COV. MATRICES OF FIRST DIFF IN C AND K


         0.02
         0.02     0.15


SIMULATION LogLQ - Markov                   ****

CASE  2.: COV. MATRICES OF FIRST DIFF IN C AND K


         0.03
         0.06     0.62


SIMULATION Coleman                          ****
```

CASE 2.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01	
0.03	0.17

SIMULATION LinLQ - Normal ****

CASE 2.: COV. MATRICES OF FIRST DIFF IN C AND K

0.03	
0.02	0.11

SIMULATION LinLQ - Markov ****

CASE 2.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.00

SIMULATION INGRAM ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.38				-0.04				
K	4.72				-0.45				
C	0.85	-0.83			0.00	0.00			
K	10.06	-9.97			0.09	-0.10			
C	0.90	-1.01	0.14		0.01	-0.01	0.00		
K	10.27	-10.69	0.51		0.13	-0.14	0.01		
C	0.89	-0.96	-0.01	0.10	0.01	0.00	-0.01	0.00	
K	10.29	-11.14	1.81	-0.88	0.13	-0.21	0.10	-0.02	
R2	0.60	0.77	0.77	0.77	0.71	0.92	0.92	0.92	

SIMULATION MARCET ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

C K ****

	1	2	3	4	1	2	3	4
	LAGS				LAGS			
C	0.08				-0.01			
K	1.46				-0.15			
C	0.03	0.00			0.03	-0.03		
K	0.11	0.02			0.82	-0.84		
C	0.14	-0.11	-0.01		-0.04	0.10	-0.06	
K	0.35	-0.20	-0.02		0.67	-0.55	-0.13	
C	0.13	-0.23	0.13	-0.01	-0.04	0.17	-0.21	0.07
K	0.34	-0.35	0.15	0.00	0.68	-0.46	-0.32	0.09
R2	0.04	0.05	0.05	0.05	0.75	0.83	0.83	0.83

SIMULATION TAUCHEN ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.39				0.05			
K	0.59				-0.07			
C	-0.50	0.06			0.34	-0.29		
K	0.45	-0.04			0.63	-0.68		
C	-0.46	0.02	0.03		0.38	-0.39	0.06	
K	0.44	-0.02	-0.02		0.62	-0.66	-0.01	
C	-0.46	0.00	0.05	-0.01	0.38	-0.41	0.10	-0.03
K	0.44	-0.03	-0.02	0.01	0.62	-0.66	-0.01	0.00
R2	0.18	0.37	0.37	0.37	0.18	0.63	0.63	0.63

SIMULATION GAGNON ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.02				0.00			
K	0.68				-0.09			
C	0.09	-0.17			0.05	-0.04		
K	0.03	-0.03			0.82	-0.82		
C	0.13	-0.35	0.14		0.02	0.05	-0.05	
K	-0.07	-0.04	0.13		0.94	-1.04	0.09	
C	0.11	-0.22	0.03	-0.02	0.04	-0.11	0.19	-0.11
K	-0.11	0.18	-0.12	0.04	0.97	-1.29	0.50	-0.19
R2	0.01	0.04	0.05	0.06	0.46	0.69	0.70	0.70

SIMULATION LogLQ - Normal ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.04				-0.01			

K	1.22				-0.15			
C	-0.08	0.01			0.09	-0.09		
K	0.07	0.04			0.83	-0.85		
C	-0.05	0.00	-0.03		0.06	-0.03	-0.03	
K	0.14	-0.02	-0.02		0.77	-0.72	-0.06	
C	-0.05	0.00	-0.01	-0.03	0.06	-0.04	-0.01	-0.01
K	0.14	-0.05	0.06	-0.05	0.77	-0.69	-0.13	0.03
R2	0.02	0.04	0.04	0.04	0.65	0.83	0.83	0.83

SIMULATION LogLQ - Markov ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.06				-0.01			
K	1.32				-0.14			
C	-0.02	-0.02			0.07	-0.07		
K	0.13	0.04			0.87	-0.89		
C	0.00	-0.07	0.05		0.06	-0.04	-0.02	
K	-0.02	0.19	0.01		1.05	-1.25	0.18	
C	-0.01	-0.06	-0.05	0.11	0.06	-0.05	0.01	-0.01
K	-0.03	0.21	-0.01	0.00	1.06	-1.28	0.22	-0.02
R2	0.02	0.08	0.09	0.10	0.41	0.89	0.89	0.89

SIMULATION Coleman ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.09				-0.01			
K	1.48				-0.17			
C	-0.02	0.04			0.05	-0.05		
K	0.05	0.06			0.84	-0.86		
C	0.16	-0.18	0.03		-0.08	0.20	-0.12	
K	0.34	-0.28	0.04		0.64	-0.46	-0.19	
C	0.16	-0.24	0.05	0.04	-0.08	0.24	-0.19	0.03
K	0.33	-0.36	0.05	0.07	0.64	-0.41	-0.28	0.04
R2	0.05	0.05	0.05	0.05	0.79	0.83	0.83	0.83

SIMULATION LinLQ - Normal ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.03				0.00			
K	0.46				-0.06			
C	-0.07	-0.03			0.15	-0.13		
K	0.00	0.00			0.91	-0.91		

C	-0.06	0.04	-0.08		0.12	-0.09	-0.01	
K	0.00	0.04	-0.04		0.91	-0.92	0.00	
C	-0.06	0.03	-0.11	0.04	0.12	-0.09	-0.02	0.00
K	0.00	0.03	-0.04	0.02	0.91	-0.89	-0.04	0.02
R2	0.01	0.05	0.06	0.06	0.29	0.84	0.84	0.84

SIMULATION LinLQ - Markov ****

CASE 2.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				
C	0.08				-0.01				
K	1.26				-0.16				
C	-0.04	0.01			0.08	-0.08			
K	0.05	0.01			0.87	-0.88			
C	-0.15	0.13	0.00		0.18	-0.26	0.09		
K	-0.11	0.18	0.00		1.01	-1.14	0.12		
C	-0.16	0.28	-0.14	-0.02	0.18	-0.39	0.32	-0.11	
K	-0.11	0.35	-0.16	-0.02	1.01	-1.29	0.40	-0.13	
R2	0.04	0.04	0.04	0.05	0.83	0.85	0.85	0.85	

SIMULATION INGRAM ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

```
 0.94
17.63  331.51
```

SIMULATION MARCET ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

```
 1.76
44.18 1187.73
```

SIMULATION TAUCHEN ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

```
 2.29
24.99  441.72
```

SIMULATION GAGNON ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

```
 2.05
28.56  524.12
```

SIMULATION LogLQ - Normal ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

```
 1.53
```

25.65 442.39

SIMULATION LogLQ - Markov ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

1.22
20.25 343.97

SIMULATION Coleman ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

0.91
12.06 161.17

SIMULATION LinLQ - Normal ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

1.31
17.79 277.91

SIMULATION LinLQ - Markov ****

CASE 3.: COVARIANCE MATRICES OF C, AND K

0.03
0.57 9.84

SIMULATION INGRAM ****
CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	1.00	1.00	

2.	1.00	1.00	0.99	0.99
3.	0.99	0.99	0.99	0.99
4.	0.99	0.99	0.98	0.98
5.	0.98	0.98	0.97	0.97
6.	0.97	0.97	0.96	0.96
7.	0.96	0.96	0.95	0.95
8.	0.95	0.95	0.93	0.94
9.	0.93	0.93	0.92	0.92
10.	0.92	0.92	0.90	0.91

SIMULATION MARCET ****
CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.97	
2.	1.00	0.99	0.95	0.98	
3.	1.00	0.99	0.94	0.98	
4.	0.99	0.98	0.93	0.98	
5.	0.99	0.98	0.92	0.98	
6.	0.99	0.97	0.91	0.98	
7.	0.98	0.96	0.90	0.98	
8.	0.97	0.95	0.89	0.98	
9.	0.97	0.94	0.88	0.98	
10.	0.96	0.93	0.86	0.97	

SIMULATION TAUCHEN ****
CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.80	0.78	
2.	1.00	0.80	0.80	0.78	
3.	0.99	0.75	0.80	0.78	
4.	0.99	0.69	0.79	0.78	
5.	0.98	0.67	0.78	0.77	
6.	0.97	0.67	0.77	0.77	
7.	0.96	0.65	0.76	0.77	
8.	0.95	0.64	0.75	0.76	
9.	0.94	0.64	0.73	0.76	
10.	0.93	0.64	0.72	0.75	

SIMULATION GAGNON ****
CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.86	0.88	
2.	0.99	0.97	0.84	0.88	
3.	0.98	0.94	0.83	0.88	
4.	0.97	0.92	0.81	0.88	
5.	0.96	0.89	0.80	0.89	
6.	0.95	0.87	0.79	0.89	
7.	0.94	0.85	0.77	0.89	
8.	0.93	0.82	0.76	0.89	
9.	0.92	0.80	0.75	0.89	
10.	0.91	0.78	0.74	0.88	

SIMULATION LogLQ - Normal ****
CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.98	0.99	
2.	1.00	0.99	0.98	0.99	
3.	1.00	0.99	0.97	0.99	
4.	0.99	0.98	0.96	0.98	
5.	0.99	0.97	0.95	0.98	
6.	0.98	0.97	0.94	0.98	
7.	0.97	0.96	0.93	0.97	

8.	0.96	0.95	0.92	0.96
9.	0.95	0.94	0.91	0.95
10.	0.94	0.93	0.90	0.94

SIMULATION LogLQ - Markov ****

CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.98	0.99
2.	1.00	0.99	0.97	0.99
3.	0.99	0.98	0.96	0.99
4.	0.99	0.98	0.95	0.98
5.	0.98	0.97	0.94	0.97
6.	0.97	0.95	0.93	0.97
7.	0.96	0.94	0.92	0.96
8.	0.95	0.93	0.90	0.95
9.	0.94	0.92	0.89	0.94
10.	0.92	0.90	0.87	0.92

SIMULATION Coleman ****

CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.96	0.99
4.	0.98	0.98	0.95	0.98
5.	0.97	0.97	0.93	0.97
6.	0.96	0.95	0.91	0.96
7.	0.94	0.94	0.89	0.95
8.	0.92	0.92	0.87	0.93
9.	0.90	0.90	0.84	0.91
10.	0.88	0.87	0.82	0.89

SIMULATION LinLQ - Normal ****

CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.92	0.94
2.	1.00	0.99	0.91	0.94
3.	1.00	0.98	0.90	0.95
4.	0.99	0.96	0.89	0.95
5.	0.98	0.95	0.87	0.94
6.	0.97	0.93	0.86	0.94
7.	0.96	0.92	0.84	0.94
8.	0.95	0.90	0.82	0.93
9.	0.94	0.88	0.81	0.92
10.	0.93	0.86	0.79	0.91

SIMULATION LinLQ - Markov ****

CASE 3.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.98	1.00
2.	1.00	1.00	0.98	1.00
3.	1.00	0.99	0.97	1.00
4.	0.99	0.99	0.96	0.99
5.	0.98	0.98	0.94	0.99
6.	0.98	0.97	0.93	0.98
7.	0.97	0.96	0.92	0.98
8.	0.96	0.95	0.90	0.97
9.	0.94	0.93	0.88	0.96
10.	0.93	0.92	0.87	0.95

SIMULATION INGRAM ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				
1.91	-0.91			
1.87	-0.83	-0.04		
1.87	-0.87	0.06	-0.05	

SIMULATION MARCET ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				
1.07	-0.08			
1.07	0.00	-0.07		
1.06	0.00	-0.02	-0.04	

SIMULATION TAUCHEN ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.80				
0.56	0.30			
0.53	0.25	0.10		
0.52	0.22	0.03	0.13	

SIMULATION GAGNON ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.97				
1.09	-0.12			
1.11	-0.30	0.16		
1.12	-0.32	0.23	-0.07	

SIMULATION LogLQ - Normal ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
0.99				
1.11	-0.11			
1.10	-0.08	-0.03		
1.10	-0.08	0.03	-0.06	

SIMULATION LogLQ - Markov ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	****
1.00				

1.08	-0.08		
1.07	0.00	-0.07	
1.07	0.00	-0.03	-0.04

SIMULATION Coleman ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
1.00				
1.49	-0.49			
1.35	-0.08	-0.28		
1.30	-0.09	-0.05	-0.17	

SIMULATION LinLQ - Normal ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.06	-0.07			
1.06	0.00	-0.07		
1.06	0.00	-0.06	-0.01	

SIMULATION LinLQ - Markov ****

CASE 3.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
1.00				
1.34	-0.35			
1.26	-0.02	-0.25		
1.21	-0.02	-0.03	-0.17	

SIMULATION INGRAM ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
2.01	-1.10	0.09		
2.02	-1.16	0.20	-0.06	

SIMULATION MARCET ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.91	-0.88	-0.02		
1.91	-0.87	-0.06	0.02	

SIMULATION TAUCHEN ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.64	-0.64			
1.52	-0.34	-0.18		
1.53	-0.34	-0.21	0.02	

SIMULATION GAGNON ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.89	-0.89			
1.99	-1.11	0.12		
2.00	-1.15	0.20	-0.05	

SIMULATION LogLQ - Normal ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.91	-0.91			
1.92	-0.94	0.02		
1.92	-0.98	0.10	-0.04	

SIMULATION LogLQ - Markov ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.91	-0.91			
1.92	-0.92	0.00		
1.92	-0.95	0.06	-0.03	

SIMULATION Coleman ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.90	-0.91			
1.87	-0.83	-0.04		
1.86	-0.84	-0.01	-0.02	

SIMULATION LinLQ - Normal ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				

1.91	-0.92		
1.91	-0.92	0.00	
1.91	-0.93	0.03	-0.01

SIMULATION LinLQ - Markov ****

CASE 3.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.92	-0.93	0.00		
1.92	-0.93	0.00	0.00	

SIMULATION INGRAM ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.51				-0.03				
K	9.67				0.48				
C	1.81	-0.78			0.01	-0.01			
K	10.78	-10.27			1.35	-0.38			
C	2.49	-1.58	0.13		-0.04	0.05	-0.01		
K	13.55	-16.67	3.67		1.19	0.00	-0.22		
C	1.53	0.51	-0.88	-0.13	0.02	-0.09	0.07	0.00	
K	1.01	10.65	-9.41	-1.75	1.95	-1.80	0.88	-0.06	

SIMULATION MARCET ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.05				0.00				
K	2.92				0.89				
C	1.01	0.00			0.01	-0.01			
K	0.13	0.04			1.88	-0.88			
C	1.07	-0.07	0.00		-0.01	0.03	-0.02		
K	0.52	-0.33	-0.03		1.75	-0.64	-0.11		
C	1.06	-0.16	0.08	0.02	0.00	0.05	-0.08	0.03	
K	0.50	-0.59	0.22	0.03	1.76	-0.57	-0.28	0.08	

SIMULATION TAUCHEN ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	0.45				0.03				
K	-0.11				1.00				
C	0.49	0.11			0.17	-0.15			
K	0.47	-0.12			1.78	-0.80			
C	0.50	0.13	-0.04		0.18	-0.16	0.00		
K	0.49	-0.18	0.07		1.81	-0.87	0.04		
C	0.50	0.06	0.03	0.00	0.18	-0.22	0.14	-0.07	

K	0.49	-0.13	0.01	0.03	1.80	-0.81	-0.07	0.05

SIMULATION GAGNON ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.94				0.00			
K	0.44				0.98			
C	1.04	-0.16			0.08	-0.08		
K	0.12	-0.08			1.81	-0.82		
C	1.03	-0.26	0.13		0.14	-0.20	0.07	
K	0.10	-0.10	0.06		1.88	-0.97	0.08	
C	1.05	-0.33	0.29	-0.10	0.14	-0.10	-0.15	0.12
K	0.10	-0.12	0.09	-0.01	1.88	-0.92	0.00	0.04

SIMULATION LogLQ - Normal ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.97				0.00			
K	2.07				0.88			
C	0.89	-0.05			0.06	-0.06		
K	0.12	-0.08			1.89	-0.90		
C	0.89	-0.08	0.03		0.06	-0.05	0.00	
K	0.12	-0.15	0.10		1.90	-0.91	0.00	
C	0.89	-0.08	0.03	0.00	0.06	-0.05	0.00	0.00
K	0.12	-0.10	0.02	0.02	1.90	-0.94	0.08	-0.04

SIMULATION LogLQ - Markov ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.96				0.00			
K	2.46				0.86			
C	0.82	-0.03			0.07	-0.06		
K	0.06	0.01			1.90	-0.91		
C	0.82	-0.01	-0.03		0.07	-0.06	0.00	
K	0.05	0.01	0.00		1.90	-0.91	0.00	
C	0.82	-0.01	-0.03	0.00	0.07	-0.06	-0.01	0.00
K	0.05	0.07	-0.05	-0.01	1.91	-0.96	0.09	-0.04

SIMULATION Coleman ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.45				-0.03			

K	7.22				0.46			
C	0.96	0.05			0.06	-0.06		
K	0.26	0.28			1.82	-0.87		
C	1.20	-0.27	0.05		0.01	0.03	-0.04	
K	1.83	-1.68	0.21		1.51	-0.31	-0.23	
C	1.18	-0.40	0.16	0.05	0.02	0.05	-0.08	0.02
K	1.73	-2.23	0.64	0.29	1.53	-0.22	-0.42	0.06

SIMULATION LinLQ - Normal ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	0.98				0.00				
K	0.89				0.94				
C	0.94	-0.02			0.07	-0.06			
K	0.03	0.01			1.90	-0.91			
C	0.95	-0.01	-0.03		0.05	-0.04	-0.01		
K	0.03	0.02	-0.01		1.91	-0.92	0.00		
C	0.95	0.00	-0.06	0.04	0.05	-0.04	0.00	-0.01	
K	0.03	0.03	-0.05	0.03	1.91	-0.93	0.04	-0.02	

SIMULATION LinLQ - Markov ****

CASE 3.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	1.23				-0.01				
K	5.01				0.71				
C	0.93	0.02			0.06	-0.05			
K	0.04	0.05			1.91	-0.92			
C	0.91	0.06	-0.01		0.06	-0.06	0.01		
K	-0.19	0.34	-0.04		1.96	-1.02	0.05		
C	0.90	0.11	-0.05	-0.02	0.06	-0.08	0.03	-0.01	
K	-0.20	0.64	-0.25	-0.10	1.97	-1.09	0.17	-0.05	

SIMULATION INGRAM ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.04	0.74

SIMULATION MARCET ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.02
         0.07    1.27
```

SIMULATION TAUCHEN ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.91
        -0.39    1.57
```

SIMULATION GAGNON ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.09
         0.03    0.22
```

SIMULATION LogLQ - Normal ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.02
         0.05    0.75
```

SIMULATION LogLQ - Markov ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.01
         0.05    0.72
```

SIMULATION Coleman ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01	
0.05	0.57

SIMULATION LinLQ - Normal ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

0.03	
0.05	0.65

SIMULATION LinLQ - Markov ****

CASE 3.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.02

SIMULATION INGRAM ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.51				-0.03			
K	9.67				-0.52			
C	0.82	-0.79			0.00	-0.01		
K	10.99	-10.46			0.34	-0.37		
C	1.47	-1.56	0.12		-0.04	0.05	-0.01	
K	13.33	-16.29	3.52		0.20	-0.03	-0.21	
C	0.52	0.52	-0.87	-0.14	0.02	-0.09	0.07	0.00
K	0.88	10.78	-9.32	-1.83	0.96	-1.81	0.88	-0.06
R2	0.08	0.83	0.83	0.84	0.08	0.87	0.87	0.87

SIMULATION MARCET ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.05				0.00				
K	2.92				-0.11				
C	0.01	0.00			0.01	-0.01			
K	0.13	0.04			0.88	-0.88			
C	0.07	-0.07	0.00		-0.01	0.03	-0.02		
K	0.52	-0.33	-0.03		0.75	-0.64	-0.11		
C	0.07	-0.16	0.08	0.02	0.00	0.05	-0.08	0.03	
K	0.50	-0.59	0.22	0.03	0.76	-0.57	-0.28	0.08	
R2	0.03	0.03	0.03	0.03	0.77	0.87	0.87	0.87	

SIMULATION TAUCHEN ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				****
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	-0.55				0.03				
K	-0.11				0.00				
C	-0.51	0.11			0.17	-0.15			
K	0.47	-0.12			0.78	-0.80			
C	-0.50	0.13	-0.04		0.18	-0.15	0.00		
K	0.49	-0.18	0.07		0.81	-0.87	0.04		
C	-0.50	0.06	0.03	0.00	0.18	-0.22	0.14	-0.07	
K	0.49	-0.13	0.01	0.03	0.80	-0.81	-0.07	0.05	
R2	0.30	0.34	0.34	0.34	0.01	0.49	0.49	0.49	

SIMULATION GAGNON ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				****
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	-0.06				0.00				
K	0.44				-0.02				
C	0.04	-0.16			0.09	-0.08			
K	0.11	-0.08			0.82	-0.82			
C	0.03	-0.26	0.13		0.14	-0.20	0.07		
K	0.10	-0.10	0.06		0.88	-0.96	0.08		
C	0.05	-0.33	0.29	-0.10	0.14	-0.10	-0.15	0.11	
K	0.10	-0.12	0.09	-0.01	0.88	-0.92	0.00	0.04	
R2	0.02	0.05	0.07	0.08	0.60	0.79	0.80	0.80	

SIMULATION LogLQ - Normal ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				****
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	-0.03				0.00				

K	2.08				-0.12			
C	-0.11	-0.05			0.06	-0.06		
K	0.12	-0.08			0.89	-0.90		
C	-0.11	-0.08	0.03		0.06	-0.05	0.00	
K	0.12	-0.15	0.10		0.90	-0.91	0.00	
C	-0.11	-0.08	0.03	0.00	0.06	-0.05	0.00	0.00
K	0.12	-0.10	0.02	0.02	0.90	-0.94	0.08	-0.04
R2	0.00	0.12	0.12	0.12	0.24	0.83	0.83	0.83

SIMULATION LogLQ - Markov ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	
	LAGS				LAGS				****
C	-0.04				0.00				
K	2.46				-0.14				
C	-0.18	-0.03			0.07	-0.06			
K	0.06	0.01			0.90	-0.91			
C	-0.18	-0.01	-0.03		0.07	-0.06	0.00		
K	0.05	0.02	0.00		0.91	-0.92	0.00		
C	-0.18	-0.01	-0.03	0.00	0.07	-0.06	-0.01	0.00	
K	0.05	0.07	-0.05	-0.01	0.90	-0.95	0.08	-0.04	
R2	0.00	0.13	0.14	0.14	0.27	0.83	0.83	0.83	

SIMULATION Coleman ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	
	LAGS				LAGS				****
C	0.45				-0.03				
K	7.22				-0.54				
C	-0.04	0.05			0.06	-0.06			
K	0.26	0.28			0.82	-0.87			
C	0.20	-0.27	0.05		0.01	0.03	-0.04		
K	1.83	-1.68	0.21		0.51	-0.31	-0.23		
C	0.18	-0.40	0.16	0.05	0.02	0.05	-0.08	0.02	
K	1.73	-2.23	0.64	0.29	0.53	-0.22	-0.42	0.06	
R2	0.33	0.34	0.34	0.34	0.80	0.83	0.83	0.83	

SIMULATION LinLQ - Normal ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	
	LAGS				LAGS				****
C	-0.02				0.00				
K	0.89				-0.06				
C	-0.06	-0.02			0.07	-0.06			
K	0.03	0.01			0.90	-0.91			

C	-0.05	-0.01	-0.03		0.05	-0.04	-0.01	
K	0.03	0.02	-0.01		0.91	-0.92	0.00	
C	-0.05	0.00	-0.06	0.04	0.05	-0.04	0.00	-0.01
K	0.03	0.03	-0.05	0.03	0.91	-0.93	0.04	-0.02
R2	0.01	0.08	0.08	0.08	0.21	0.84	0.84	0.84

SIMULATION LinLQ - Markov ****

CASE 3.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				
C	0.23				-0.01				
K	5.01				-0.29				
C	-0.07	0.02			0.06	-0.05			
K	0.04	0.05			0.91	-0.92			
C	-0.09	0.06	-0.01		0.06	-0.06	0.01		
K	-0.19	0.34	-0.04		0.96	-1.02	0.05		
C	-0.10	0.11	-0.05	-0.02	0.06	-0.08	0.03	-0.01	
K	-0.20	0.64	-0.25	-0.10	0.97	-1.09	0.17	-0.05	
R2	0.18	0.23	0.23	0.23	0.74	0.86	0.86	0.86	

SIMULATION INGRAM ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

2.99	
7.27	18.30

SIMULATION MARCET ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

1.72	
40.70	1032.90

SIMULATION TAUCHEN ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

2.53	
34.56	915.83

SIMULATION GAGNON ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

2.07	
36.76	834.95

SIMULATION LogLQ - Normal ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

1.82	

41.89 1052.96

SIMULATION LogLQ - Markov ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

1.19
26.76 670.74

SIMULATION Coleman ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

0.79
16.14 359.60

SIMULATION LinLQ - Normal ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

2.32
43.47 912.30

SIMULATION LinLQ - Markov ****

CASE 4.: COVARIANCE MATRICES OF C, AND K

0.03
0.66 15.75

SIMULATION INGRAM ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.98	0.98	

2.	1.00	1.00	0.98	0.98
3.	0.99	1.00	0.97	0.98
4.	0.99	0.99	0.97	0.98
5.	0.99	0.99	0.96	0.98
6.	0.98	0.99	0.96	0.97
7.	0.98	0.98	0.96	0.97
8.	0.98	0.98	0.95	0.97
9.	0.97	0.98	0.95	0.97
10.	0.97	0.98	0.94	0.97

SIMULATION MARCET ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.97	
2.	1.00	0.99	0.95	0.98	
3.	1.00	0.99	0.94	0.98	
4.	0.99	0.98	0.93	0.98	
5.	0.99	0.97	0.91	0.98	
6.	0.98	0.97	0.90	0.98	
7.	0.98	0.96	0.89	0.98	
8.	0.97	0.95	0.88	0.98	
9.	0.97	0.94	0.87	0.98	
10.	0.96	0.93	0.86	0.97	

SIMULATION TAUCHEN ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.72	0.72	
2.	1.00	0.86	0.72	0.72	
3.	1.00	0.80	0.72	0.72	
4.	0.99	0.75	0.71	0.72	
5.	0.99	0.73	0.70	0.72	
6.	0.99	0.70	0.70	0.72	
7.	0.98	0.68	0.69	0.72	
8.	0.98	0.66	0.68	0.72	
9.	0.97	0.64	0.68	0.72	
10.	0.97	0.63	0.67	0.72	

SIMULATION GAGNON ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.87	0.89	
2.	0.99	0.97	0.86	0.89	
3.	0.98	0.95	0.84	0.89	
4.	0.97	0.92	0.83	0.89	
5.	0.97	0.90	0.82	0.90	
6.	0.96	0.88	0.81	0.90	
7.	0.95	0.86	0.79	0.90	
8.	0.94	0.84	0.78	0.90	
9.	0.93	0.82	0.77	0.90	
10.	0.92	0.80	0.76	0.90	

SIMULATION LogLQ - Normal ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.96	
2.	1.00	0.99	0.94	0.97	
3.	1.00	0.98	0.94	0.97	
4.	0.99	0.98	0.93	0.97	
5.	0.99	0.97	0.92	0.97	
6.	0.99	0.96	0.91	0.97	
7.	0.98	0.95	0.90	0.97	

8.	0.98	0.94	0.90	0.97
9.	0.97	0.93	0.89	0.96
10.	0.96	0.92	0.88	0.96

SIMULATION LogLQ - Markov ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.96
2.	1.00	0.99	0.93	0.96
3.	1.00	0.98	0.92	0.96
4.	0.99	0.97	0.91	0.97
5.	0.99	0.96	0.90	0.97
6.	0.99	0.95	0.89	0.97
7.	0.98	0.94	0.88	0.97
8.	0.98	0.93	0.88	0.97
9.	0.97	0.92	0.87	0.96
10.	0.96	0.91	0.86	0.96

SIMULATION Coleman ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.96
2.	1.00	0.99	0.93	0.97
3.	1.00	0.98	0.91	0.98
4.	0.99	0.97	0.90	0.98
5.	0.98	0.96	0.88	0.98
6.	0.98	0.95	0.86	0.98
7.	0.97	0.93	0.85	0.98
8.	0.96	0.92	0.83	0.97
9.	0.95	0.91	0.81	0.97
10.	0.93	0.89	0.79	0.96

SIMULATION LinLQ - Normal ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.95
2.	1.00	0.99	0.93	0.95
3.	1.00	0.98	0.93	0.95
4.	0.99	0.97	0.92	0.95
5.	0.99	0.96	0.92	0.95
6.	0.99	0.95	0.91	0.95
7.	0.98	0.94	0.90	0.94
8.	0.98	0.93	0.90	0.94
9.	0.97	0.92	0.89	0.94
10.	0.97	0.91	0.88	0.93

SIMULATION LinLQ - Markov ****
CASE 4.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.96
2.	1.00	0.99	0.93	0.97
3.	1.00	0.99	0.92	0.97
4.	0.99	0.98	0.90	0.98
5.	0.99	0.97	0.89	0.98
6.	0.98	0.96	0.88	0.98
7.	0.98	0.95	0.87	0.98
8.	0.97	0.94	0.85	0.98
9.	0.96	0.93	0.84	0.98
10.	0.96	0.92	0.82	0.98

SIMULATION INGRAM ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	
1.00				
1.92	-0.92			
1.77	-0.61	-0.16		
1.77	-0.61	-0.17	0.00	

SIMULATION MARCET ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	
0.99				
1.07	-0.07			
1.06	0.00	-0.07		
1.06	0.00	-0.02	-0.04	

SIMULATION TAUCHEN ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	
0.86				
0.63	0.27			
0.61	0.22	0.08		
0.60	0.19	0.00	0.13	

SIMULATION GAGNON ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	
0.98				
1.07	-0.09			
1.08	-0.26	0.15		
1.09	-0.26	0.19	-0.03	

SIMULATION LogLQ - Normal ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	
0.99				
0.99	0.01			
0.99	0.04	-0.03		
0.99	0.04	0.00	-0.03	

SIMULATION LogLQ - Markov ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	
0.99				

0.99	-0.01		
0.99	0.00	0.00	
0.99	0.00	-0.08	0.08

SIMULATION Coleman ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.05	-0.06			
1.04	0.01	-0.06		
1.04	0.01	-0.01	-0.05	

SIMULATION LinLQ - Normal ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
0.98	0.02			
0.97	-0.02	0.03		
0.97	-0.02	0.03	0.00	

SIMULATION LinLQ - Markov ****

CASE 4.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.05	-0.05			
1.04	0.01	-0.06		
1.04	0.01	0.00	-0.06	

SIMULATION INGRAM ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.14	-0.14			
1.13	-0.04	-0.09		
1.12	-0.04	-0.03	-0.05	

SIMULATION MARCET ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.91	-0.88	-0.02		
1.91	-0.87	-0.06	0.02	

SIMULATION TAUCHEN ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.66	-0.66			
1.55	-0.39	-0.16		
1.56	-0.37	-0.23	0.04	

SIMULATION GAGNON ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.90	-0.90			
2.05	-1.22	0.17		
2.07	-1.35	0.38	-0.10	

SIMULATION LogLQ - Normal ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.93	-0.94			
1.90	-0.86	-0.04		
1.90	-0.88	0.00	-0.02	

SIMULATION LogLQ - Markov ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.91	-0.91			
1.93	-0.95	0.02		
1.93	-0.94	0.01	0.00	

SIMULATION Coleman ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				
1.93	-0.93			
1.89	-0.86	-0.04		
1.89	-0.87	-0.02	-0.01	

SIMULATION LinLQ - Normal ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	
1.00				

1.93	-0.93		
1.92	-0.91	-0.01	
1.92	-0.94	0.06	-0.03

SIMULATION LinLQ - Markov ****

CASE 4.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.94	-0.94		
1.94	-0.94	0.00	
1.94	-0.94	0.00	0.00

SIMULATION INGRAM ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.04				-0.02			
K	0.16				0.94			
C	1.92	-0.92			0.01	-0.01		
K	3.10	-3.08			1.08	-0.09		
C	2.04	-1.17	0.13		0.02	-0.02	0.00	
K	3.91	-4.82	0.93		1.13	-0.13	-0.01	
C	2.02	-1.05	-0.07	0.10	0.02	-0.01	0.00	0.00
K	3.98	-5.52	2.18	-0.62	1.13	-0.16	0.03	0.00

SIMULATION MARCET ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.05				0.00			
K	2.73				0.89			
C	1.01	0.00			0.01	-0.01		
K	0.13	0.04			1.87	-0.88		
C	1.08	-0.07	0.00		-0.01	0.03	-0.02	
K	0.49	-0.31	-0.03		1.75	-0.64	-0.12	
C	1.07	-0.16	0.09	0.01	-0.01	0.06	-0.08	0.03
K	0.48	-0.55	0.21	0.02	1.76	-0.56	-0.28	0.08

SIMULATION TAUCHEN ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.70				0.01			
K	0.01				1.00			
C	0.66	0.13			0.23	-0.22		
K	0.28	-0.13			1.72	-0.73		
C	0.70	0.10	-0.01		0.27	-0.31	0.05	
K	0.26	-0.15	0.04		1.71	-0.71	-0.01	
C	0.70	0.00	0.06	0.04	0.27	-0.41	0.26	-0.11

K	0.26	-0.06	-0.01	-0.05	1.71	-0.63	-0.19	0.10

SIMULATION GAGNON ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.93				0.00				
K	0.50				0.98				
C	0.92	-0.13			0.23	-0.22			
K	0.08	-0.07			1.88	-0.88			
C	0.88	-0.18	0.13		0.36	-0.52	0.16		
K	0.02	-0.04	0.07		2.04	-1.25	0.21		
C	0.89	-0.21	0.22	-0.07	0.35	-0.46	0.05	0.06	
K	0.02	-0.03	0.05	0.00	2.05	-1.30	0.29	-0.04	

SIMULATION LogLQ - Normal ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.98				0.00				
K	1.58				0.94				
C	0.90	0.01			0.04	-0.04			
K	0.04	0.04			1.91	-0.92			
C	0.91	0.03	-0.03		0.04	-0.03	0.00		
K	0.09	0.05	-0.07		1.87	-0.83	-0.04		
C	0.91	0.01	0.02	-0.03	0.04	-0.01	-0.04	0.02	
K	0.09	0.10	-0.21	0.09	1.87	-0.88	0.06	-0.05	

SIMULATION LogLQ - Markov ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.97				0.00				
K	1.70				0.93				
C	0.90	-0.01			0.05	-0.04			
K	0.13	-0.03			1.88	-0.89			
C	0.90	0.00	0.00		0.05	-0.06	0.01		
K	0.11	-0.06	0.05		1.89	-0.91	0.01		
C	0.90	0.02	-0.10	0.09	0.05	-0.07	0.03	-0.01	
K	0.11	-0.08	0.07	0.01	1.89	-0.89	-0.02	0.02	

SIMULATION Coleman ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.06				0.00				

K	2.73				0.88			
C	1.00	0.03			0.01	-0.01		
K	0.12	0.10			1.85	-0.87		
C	1.08	-0.07	0.02		-0.02	0.05	-0.03	
K	0.46	-0.30	0.04		1.73	-0.62	-0.12	
C	1.08	-0.12	0.04	0.03	-0.02	0.06	-0.06	0.02
K	0.46	-0.32	-0.02	0.09	1.73	-0.61	-0.13	0.00

SIMULATION LinLQ - Normal ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	0.95				0.00				
K	0.69				0.97				
C	0.91	0.00			0.05	-0.05			
K	-0.02	0.03			1.93	-0.93			
C	0.92	-0.03	0.02		0.04	-0.02	-0.01		
K	-0.03	0.02	0.01		1.93	-0.93	0.00		
C	0.92	-0.03	0.03	-0.01	0.04	-0.02	-0.01	0.00	
K	-0.03	0.05	-0.01	-0.01	1.93	-0.97	0.08	-0.04	

SIMULATION LinLQ - Markov ****

CASE 4.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	1.04				0.00				
K	2.30				0.90				
C	0.95	0.01			0.04	-0.04			
K	0.05	0.01			1.92	-0.92			
C	0.87	0.09	-0.01		0.07	-0.10	0.03		
K	-0.17	0.25	-0.01		2.01	-1.11	0.10		
C	0.87	0.20	-0.10	-0.02	0.07	-0.15	0.13	-0.05	
K	-0.18	0.52	-0.24	-0.05	2.02	-1.23	0.32	-0.11	

SIMULATION INGRAM ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.04

SIMULATION MARCET ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.02
         0.07    1.15
```

SIMULATION TAUCHEN ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.72
        -0.27    1.14
```

SIMULATION GAGNON ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.09
         0.03    0.27
```

SIMULATION LogLQ - Normal ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.03
         0.05    1.02
```

SIMULATION LogLQ - Markov ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

```
         0.03
         0.04    0.77
```

SIMULATION Coleman ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

0.01	
0.04	0.65

SIMULATION LinLQ - Normal ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

0.05	
0.04	0.58

SIMULATION LinLQ - Markov ****

CASE 4.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.02

SIMULATION INGRAM ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				
C	0.04				-0.02				
K	0.16				-0.06				
C	0.92	-0.92			0.01	-0.01			
K	3.10	-3.08			0.08	-0.09			
C	1.04	-1.17	0.13		0.02	-0.02	0.00		
K	3.89	-4.79	0.92		0.12	-0.12	-0.01		
C	1.02	-1.04	-0.08	0.10	0.02	-0.01	0.00	0.00	
K	4.06	-5.70	2.27	-0.62	0.14	-0.17	0.03	0.00	
R2	0.31	0.85	0.85	0.85	0.09	0.22	0.22	0.22	

SIMULATION MARCET ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	1	2	3	4	1	2	3	4	****
		LAGS				LAGS			****
C	0.05				0.00				
K	2.73				-0.11				
C	0.01	0.00			0.01	-0.01			
K	0.13	0.04			0.87	-0.88			
C	0.08	-0.07	0.00		-0.01	0.03	-0.02		
K	0.49	-0.31	-0.03		0.75	-0.64	-0.12		
C	0.07	-0.16	0.09	0.01	-0.01	0.06	-0.08	0.03	
K	0.48	-0.55	0.21	0.02	0.76	-0.56	-0.28	0.08	
R2	0.02	0.03	0.03	0.03	0.77	0.86	0.86	0.86	

SIMULATION TAUCHEN ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				****
	1	2	3	4	1	2	3	4	****
		LAGS				LAGS			****
C	-0.30				0.01				
K	0.01				0.00				
C	-0.34	0.13			0.23	-0.22			
K	0.28	-0.13			0.72	-0.73			
C	-0.30	0.10	-0.01		0.27	-0.31	0.05		
K	0.26	-0.15	0.04		0.71	-0.71	-0.01		
C	-0.30	0.00	0.06	0.04	0.27	-0.41	0.26	-0.11	
K	0.26	-0.06	-0.01	-0.05	0.71	-0.63	-0.19	0.10	
R2	0.16	0.26	0.26	0.27	0.00	0.48	0.48	0.48	

SIMULATION GAGNON ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				****
	1	2	3	4	1	2	3	4	****
		LAGS				LAGS			****
C	-0.07				0.00				
K	0.50				-0.02				
C	-0.08	-0.12			0.23	-0.22			
K	0.08	-0.07			0.88	-0.88			
C	-0.12	-0.17	0.13		0.36	-0.52	0.16		
K	0.02	-0.04	0.07		1.04	-1.25	0.21		
C	-0.11	-0.21	0.22	-0.07	0.35	-0.46	0.05	0.06	
K	0.02	-0.03	0.05	0.00	1.05	-1.30	0.29	-0.04	
R2	0.03	0.07	0.08	0.09	0.64	0.82	0.82	0.82	

SIMULATION LogLQ - Normal ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				****
	1	2	3	4	1	2	3	4	****
		LAGS				LAGS			****
C	-0.02				0.00				

K	1.58				-0.06			
C	-0.10	0.01			0.04	-0.04		
K	0.04	0.04			0.91	-0.92		
C	-0.09	0.03	-0.03		0.04	-0.03	0.00	
K	0.09	0.05	-0.07		0.87	-0.83	-0.04	
C	-0.09	0.01	0.02	-0.03	0.04	-0.01	-0.04	0.02
K	0.09	0.10	-0.21	0.09	0.87	-0.88	0.06	-0.05
R2	0.01	0.04	0.04	0.04	0.37	0.88	0.88	0.88

SIMULATION LogLQ - Markov ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.03				0.00			
K	1.69				-0.07			
C	-0.10	-0.01			0.05	-0.04		
K	0.13	-0.03			0.88	-0.89		
C	-0.10	0.00	0.00		0.05	-0.06	0.01	
K	0.11	-0.06	0.05		0.89	-0.91	0.01	
C	-0.10	0.02	-0.10	0.09	0.05	-0.07	0.03	-0.01
K	0.11	-0.08	0.07	0.01	0.89	-0.89	-0.03	0.02
R2	0.01	0.03	0.03	0.04	0.45	0.84	0.84	0.84

SIMULATION Coleman ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.05				0.00			
K	2.73				-0.12			
C	0.00	0.03			0.01	-0.01		
K	0.12	0.10			0.85	-0.87		
C	0.08	-0.07	0.02		-0.02	0.05	-0.03	
K	0.46	-0.30	0.04		0.73	-0.62	-0.12	
C	0.08	-0.12	0.04	0.03	-0.02	0.06	-0.06	0.02
K	0.46	-0.32	-0.02	0.09	0.73	-0.61	-0.13	0.00
R2	0.03	0.03	0.03	0.03	0.81	0.86	0.86	0.86

SIMULATION LinLQ - Normal ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.05				0.00			
K	0.69				-0.03			
C	-0.09	0.00			0.05	-0.05		
K	-0.02	0.03			0.93	-0.93		

C	-0.08	-0.03	0.02		0.04	-0.02	-0.01	
K	-0.03	0.02	0.01		0.93	-0.93	0.00	
C	-0.08	-0.03	0.03	-0.01	0.04	-0.02	-0.01	0.00
K	-0.02	0.05	-0.01	-0.01	0.93	-0.97	0.08	-0.04
R2	0.02	0.04	0.04	0.04	0.21	0.86	0.86	0.86

SIMULATION LinLQ - Markov ****

CASE 4.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	0.04				0.00				
K	2.30				-0.10				
C	-0.05	0.01			0.04	-0.04			
K	0.05	0.01			0.92	-0.92			
C	-0.13	0.09	-0.01		0.07	-0.10	0.03		
K	-0.17	0.25	-0.01		1.01	-1.11	0.10		
C	-0.13	0.20	-0.10	-0.02	0.07	-0.15	0.13	-0.05	
K	-0.18	0.52	-0.24	-0.05	1.02	-1.23	0.32	-0.11	
R2	0.02	0.02	0.02	0.02	0.85	0.88	0.88	0.88	

SIMULATION INGRAM ****

CASE 5.: COVARIANCE MATRICES OF C, AND K

0.43	
0.60	0.83

SIMULATION MARCET ****

CASE 5.: COVARIANCE MATRICES OF C, AND K

0.03	
0.27	2.30

SIMULATION TAUCHEN ****

CASE 5.: COVARIANCE MATRICES OF C, AND K

0.03	
0.20	1.33

SIMULATION GAGNON ****

CASE 5.: COVARIANCE MATRICES OF C, AND K

0.03	
0.19	1.22

SIMULATION LogLQ - Normal ****

CASE 5.: COVARIANCE MATRICES OF C, AND K

0.04

```
         0.26    1.73


SIMULATION LogLQ - Markov              ****

CASE  5.: COVARIANCE MATRICES OF C, AND K


         0.03
         0.20    1.29


SIMULATION Coleman                     ****

CASE  5.: COVARIANCE MATRICES OF C, AND K


         0.02
         0.14    0.85


SIMULATION LinLQ - Normal              ****

CASE  5.: COVARIANCE MATRICES OF C, AND K


         0.04
         0.26    1.65


SIMULATION LinLQ - Markov              ****

CASE  5.: COVARIANCE MATRICES OF C, AND K


         0.02
         0.14    0.90


SIMULATION Dynamic Programing          ****

CASE  5.: COVARIANCE MATRICES OF C, AND K
```

0.02
0.15 0.96

SIMULATION INGRAM ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	0.99	
2.	1.00	1.00	0.99	0.99	
3.	1.00	1.00	0.98	0.99	
4.	1.00	1.00	0.98	0.99	
5.	0.99	0.99	0.97	0.99	
6.	0.99	0.99	0.97	0.99	
7.	0.99	0.98	0.96	0.99	
8.	0.98	0.98	0.96	0.98	
9.	0.98	0.97	0.95	0.98	
10.	0.97	0.97	0.94	0.97	

SIMULATION MARCET ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.98	
2.	1.00	0.99	0.94	0.98	
3.	0.99	0.98	0.93	0.99	
4.	0.99	0.97	0.91	0.99	
5.	0.98	0.96	0.89	0.99	
6.	0.97	0.95	0.87	0.99	
7.	0.96	0.93	0.85	0.98	
8.	0.95	0.92	0.84	0.97	
9.	0.94	0.90	0.82	0.96	
10.	0.92	0.89	0.80	0.95	

SIMULATION TAUCHEN ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.97	0.97	
2.	1.00	0.95	0.95	0.96	
3.	0.99	0.94	0.94	0.96	
4.	0.98	0.93	0.92	0.95	
5.	0.96	0.91	0.90	0.93	
6.	0.94	0.90	0.88	0.92	
7.	0.92	0.88	0.86	0.90	
8.	0.90	0.86	0.84	0.88	
9.	0.88	0.84	0.81	0.86	
10.	0.86	0.82	0.79	0.84	

SIMULATION GAGNON ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.98	0.99	
2.	0.99	0.99	0.97	0.99	
3.	0.98	0.98	0.95	0.98	
4.	0.97	0.96	0.93	0.96	
5.	0.95	0.95	0.91	0.95	
6.	0.93	0.93	0.89	0.93	
7.	0.91	0.91	0.87	0.91	
8.	0.89	0.89	0.84	0.89	

9.	0.87	0.86	0.82	0.86
10.	0.84	0.84	0.80	0.84

SIMULATION LogLQ - Normal ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.97	0.99
4.	0.98	0.98	0.95	0.98
5.	0.97	0.97	0.94	0.97
6.	0.96	0.95	0.92	0.95
7.	0.94	0.94	0.90	0.94
8.	0.92	0.92	0.88	0.92
9.	0.90	0.90	0.85	0.90
10.	0.88	0.88	0.83	0.88

SIMULATION LogLQ - Markov ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.97	0.99
4.	0.98	0.98	0.96	0.98
5.	0.97	0.97	0.94	0.97
6.	0.96	0.95	0.93	0.96
7.	0.94	0.94	0.91	0.94
8.	0.93	0.92	0.89	0.93
9.	0.91	0.91	0.87	0.91
10.	0.89	0.89	0.85	0.89

SIMULATION Coleman ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	0.99	0.97	0.99
3.	0.99	0.98	0.95	0.98
4.	0.97	0.97	0.93	0.96
5.	0.95	0.95	0.91	0.94
6.	0.93	0.92	0.88	0.92
7.	0.90	0.90	0.85	0.89
8.	0.87	0.87	0.81	0.86
9.	0.84	0.84	0.78	0.83
10.	0.81	0.80	0.74	0.80

SIMULATION LinLQ - Normal ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	0.99
3.	0.99	0.99	0.97	0.99
4.	0.98	0.98	0.95	0.98
5.	0.97	0.97	0.94	0.97
6.	0.96	0.95	0.92	0.96
7.	0.94	0.94	0.90	0.94
8.	0.93	0.92	0.88	0.92
9.	0.91	0.90	0.86	0.91
10.	0.89	0.88	0.84	0.89

SIMULATION LinLQ - Markov ****
CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	1.00	
2.	1.00	1.00	0.97	1.00	
3.	0.99	0.99	0.96	0.99	
4.	0.98	0.98	0.94	0.98	
5.	0.97	0.96	0.92	0.97	
6.	0.95	0.94	0.90	0.95	
7.	0.93	0.92	0.87	0.93	
8.	0.91	0.90	0.85	0.91	
9.	0.89	0.88	0.82	0.89	
10.	0.86	0.85	0.79	0.86	

SIMULATION Dynamic Programing ****

CASE 5.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	1.00	
2.	1.00	1.00	0.98	1.00	
3.	0.99	0.99	0.97	0.99	
4.	0.98	0.98	0.95	0.98	
5.	0.97	0.96	0.93	0.97	
6.	0.95	0.95	0.91	0.95	
7.	0.93	0.93	0.89	0.93	
8.	0.91	0.91	0.86	0.91	
9.	0.89	0.88	0.84	0.89	
10.	0.86	0.86	0.81	0.86	

SIMULATION INGRAM ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.69	-0.69			
1.46	-0.14	-0.33		
1.41	-0.16	-0.09	-0.16	

SIMULATION MARCET ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.08	-0.09			
1.08	0.00	-0.09		
1.07	0.00	-0.03	-0.06	

SIMULATION TAUCHEN ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.95				
0.59	0.38			
0.54	0.30	0.14		
0.53	0.29	0.12	0.04	

SIMULATION GAGNON ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.20	-0.21			
1.17	-0.07	-0.11		
1.15	-0.09	0.15	-0.22	

SIMULATION LogLQ - Normal ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.59	-0.60			
1.42	-0.14	-0.29		
1.39	-0.16	-0.14	-0.10	

SIMULATION LogLQ - Markov ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.51	-0.51			
1.38	-0.13	-0.25		
1.35	-0.14	-0.09	-0.12	

SIMULATION Coleman ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.61	-0.61			
1.44	-0.18	-0.27		
1.40	-0.20	-0.07	-0.14	

SIMULATION LinLQ - Normal ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.49	-0.49			
1.35	-0.07	-0.28		
1.31	-0.08	-0.10	-0.14	

SIMULATION LinLQ - Markov ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.50	-0.51			

1.36	-0.09	-0.28	
1.32	-0.11	-0.06	-0.16

SIMULATION Dynamic Programing ****

CASE 5.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
1.00				
1.54	-0.55			
1.40	-0.14	-0.27		
1.36	-0.15	-0.07	-0.14	

SIMULATION INGRAM ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.95	-0.95			
2.02	-1.09	0.07		
2.02	-1.08	0.05	0.01	

SIMULATION MARCET ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.91	-0.91			
1.88	-0.86	-0.03		
1.88	-0.87	0.00	-0.01	

SIMULATION TAUCHEN ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.72	-0.72			
1.57	-0.38	-0.20		
1.56	-0.39	-0.14	-0.04	

SIMULATION GAGNON ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
0.99				
1.88	-0.88			
2.02	-1.18	0.16		
2.03	-1.26	0.29	-0.07	

SIMULATION LogLQ - Normal ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.89	-0.89			
1.89	-0.90	0.00		
1.89	-0.86	-0.06	0.03	

SIMULATION LogLQ - Markov ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.85	-0.86			
1.86	-0.86	0.00		
1.86	-0.85	-0.03	0.02	

SIMULATION Coleman ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.87	-0.87			
1.83	-0.79	-0.04		
1.83	-0.82	0.02	-0.03	

SIMULATION LinLQ - Normal ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.87	-0.87			
1.84	-0.81	-0.04		
1.84	-0.79	-0.07	0.02	

SIMULATION LinLQ - Markov ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.89	-0.89			
1.88	-0.88	-0.01		
1.88	-0.88	0.01	-0.01	

SIMULATION Dynamic Programing ****

CASE 5.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.87	-0.87			

1.85	-0.83	-0.02		
1.85	-0.84	0.00	-0.02	

SIMULATION INGRAM ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.12				-0.08			
K	0.19				0.87			
C	1.38	-0.39			0.37	-0.36		
K	0.48	-0.48			1.64	-0.64		
C	1.39	-0.14	-0.25		-0.08	0.34	-0.26	
K	0.48	-0.65	0.17		1.93	-1.10	0.17	
C	1.38	-0.16	-0.16	-0.08	-0.03	0.10	0.03	-0.10
K	0.49	-0.59	-0.11	0.22	1.78	-0.46	-0.57	0.24

SIMULATION MARCET ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.09				-0.01			
K	1.48				0.82			
C	1.22	0.03			-0.12	0.09		
K	0.37	0.05			1.61	-0.66		
C	1.69	-0.48	0.02		-0.47	0.75	-0.31	
K	1.14	-0.79	0.03		1.05	0.41	-0.50	
C	1.66	-0.58	0.11	0.05	-0.45	0.80	-0.46	0.08
K	1.12	-0.85	0.07	0.06	1.07	0.43	-0.60	0.05

SIMULATION TAUCHEN ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.27				0.11			
K	0.47				0.93			
C	0.32	0.05			0.33	-0.24		
K	0.65	-0.03			1.66	-0.76		
C	0.34	0.02	0.01		0.35	-0.29	0.03	
K	0.67	-0.05	0.01		1.68	-0.80	0.02	
C	0.34	-0.01	0.04	0.02	0.36	-0.32	0.09	-0.04
K	0.67	-0.04	-0.01	0.03	1.68	-0.79	-0.01	0.02

SIMULATION GAGNON ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.25				-0.04			
K	3.79				0.42			

C	0.53	-0.25			0.28	-0.18		
K	0.67	-0.47			1.73	-0.76		
C	0.59	-0.28	0.05		0.25	-0.14	-0.02	
K	0.78	-0.56	0.02		1.67	-0.67	-0.04	
C	0.61	-0.22	-0.03	-0.12	0.24	-0.17	0.08	-0.04
K	0.82	-0.52	-0.11	-0.27	1.65	-0.68	0.09	-0.06

SIMULATION LogLQ - Normal ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.72				-0.11				
K	5.44				0.17				
C	0.87	-0.02			0.16	-0.14			
K	0.18	-0.05			1.84	-0.86			
C	0.95	-0.06	-0.07		0.14	-0.10	-0.01		
K	0.41	-0.16	-0.23		1.76	-0.75	-0.02		
C	0.94	-0.02	-0.15	0.03	0.14	-0.12	0.02	-0.01	
K	0.40	-0.08	-0.39	0.09	1.77	-0.78	0.03	-0.03	

SIMULATION LogLQ - Markov ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.66				-0.10				
K	5.25				0.19				
C	0.81	-0.01			0.17	-0.14			
K	0.19	-0.04			1.80	-0.83			
C	0.90	-0.08	-0.07		0.14	-0.09	-0.01		
K	0.34	-0.11	-0.18		1.75	-0.75	-0.01		
C	0.87	0.17	-0.31	-0.08	0.15	-0.18	0.12	-0.04	
K	0.25	0.64	-0.90	-0.25	1.78	-1.00	0.38	-0.12	

SIMULATION Coleman ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.93				-0.16				
K	6.35				-0.06				
C	1.04	0.08			0.11	-0.13			
K	0.33	0.29			1.73	-0.84			
C	1.97	-0.99	0.09		-0.18	0.31	-0.15		
K	2.84	-2.62	0.27		0.97	0.35	-0.41		
C	2.10	-1.91	0.88	0.07	-0.22	0.61	-0.52	0.10	
K	3.19	-5.14	2.43	0.21	0.87	1.16	-1.43	0.28	

SIMULATION LinLQ - Normal ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.34				-0.05			
K	2.78				0.56			
C	0.96	0.01			0.13	-0.12		
K	0.06	0.09			1.84	-0.86		
C	1.03	-0.01	-0.06		0.10	-0.08	-0.01	
K	0.26	-0.04	-0.09		1.76	-0.74	-0.04	
C	1.03	0.02	-0.05	-0.04	0.10	-0.09	0.00	0.00
K	0.25	-0.09	0.04	-0.08	1.76	-0.72	-0.09	0.03

SIMULATION LinLQ - Markov ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.48				-0.08			
K	3.68				0.42			
C	0.93	0.03			0.14	-0.13		
K	0.04	0.07			1.86	-0.88		
C	0.89	0.08	-0.01		0.15	-0.16	0.01	
K	-0.14	0.26	0.00		1.93	-1.00	0.04	
C	0.88	0.16	-0.07	-0.02	0.15	-0.19	0.06	-0.02
K	-0.15	0.51	-0.21	-0.06	1.93	-1.09	0.19	-0.05

SIMULATION Dynamic Programing ****

CASE 5.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.72				-0.11			
K	5.56				0.15			
C	0.35	0.05			0.31	-0.22		
K	-1.01	0.16			2.16	-1.04		
C	0.12	0.35	0.03		0.38	-0.35	0.05	
K	-1.18	0.29	0.10		2.21	-1.12	0.02	
C	0.08	0.32	0.08	0.04	0.39	-0.35	0.02	0.01
K	-1.16	0.47	-0.34	0.11	2.21	-1.17	0.17	-0.07

SIMULATION INGRAM ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.00

SIMULATION MARCET ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION TAUCHEN ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION GAGNON ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION LogLQ - Normal ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION LogLQ - Markov ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION Coleman ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.01
```

SIMULATION LinLQ - Normal ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.01
```

SIMULATION LinLQ - Markov ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION Dynamic Programing ****

CASE 5.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION INGRAM ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

```
------------ C -----------  ------------ K --------          ****
 1      2      3      4      1      2      3      4           ****
          LAGS                          LAGS            ****
```

C	0.11				-0.08			
K	0.19				-0.13			
C	0.39	-0.39			0.37	-0.36		
K	0.48	-0.48			0.64	-0.64		
C	0.39	-0.14	-0.25		-0.08	0.34	-0.26	
K	0.48	-0.65	0.17		0.93	-1.10	0.17	
C	0.39	-0.16	-0.16	-0.07	-0.03	0.10	0.03	-0.10
K	0.49	-0.59	-0.11	0.22	0.78	-0.46	-0.57	0.24
R2	0.17	0.55	0.55	0.56	0.33	0.99	0.99	0.99

SIMULATION MARCET ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.09				-0.01			
K	1.48				-0.18			
C	0.21	0.03			-0.12	0.09		
K	0.37	0.05			0.61	-0.66		
C	0.69	-0.48	0.02		-0.47	0.75	-0.31	
K	1.14	-0.79	0.03		0.05	0.40	-0.50	
C	0.66	-0.58	0.11	0.05	-0.45	0.80	-0.46	0.07
K	1.11	-0.85	0.07	0.06	0.07	0.43	-0.60	0.05
R2	0.04	0.05	0.05	0.05	0.83	0.84	0.84	0.84

SIMULATION TAUCHEN ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.73				0.11			
K	0.46				-0.07			
C	-0.68	0.05			0.33	-0.24		
K	0.65	-0.03			0.66	-0.76		
C	-0.66	0.02	0.01		0.35	-0.29	0.03	
K	0.67	-0.05	0.01		0.68	-0.80	0.02	
C	-0.66	-0.01	0.04	0.02	0.36	-0.32	0.09	-0.04
K	0.67	-0.04	-0.01	0.03	0.68	-0.79	-0.01	0.02
R2	0.36	0.50	0.50	0.50	0.06	0.63	0.63	0.63

SIMULATION GAGNON ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.25				-0.04			
K	3.79				-0.58			
C	-0.48	-0.25			0.29	-0.18		

K	0.65	-0.48			0.74	-0.77		
C	-0.41	-0.28	0.05		0.25	-0.13	-0.02	
K	0.79	-0.57	0.01		0.66	-0.65	-0.05	
C	-0.39	-0.21	-0.04	-0.12	0.24	-0.17	0.08	-0.04
K	0.82	-0.52	-0.12	-0.27	0.65	-0.68	0.10	-0.06
R2	0.06	0.16	0.16	0.17	0.68	0.80	0.80	0.80

SIMULATION LogLQ - Normal ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.72				-0.11			
K	5.44				-0.83			
C	-0.13	-0.02			0.16	-0.14		
K	0.18	-0.05			0.84	-0.86		
C	-0.06	-0.06	-0.07		0.14	-0.10	-0.01	
K	0.40	-0.15	-0.23		0.77	-0.76	-0.02	
C	-0.06	-0.02	-0.15	0.03	0.14	-0.12	0.02	-0.01
K	0.41	-0.07	-0.39	0.09	0.77	-0.78	0.03	-0.03
R2	0.39	0.42	0.42	0.42	0.76	0.80	0.80	0.80

SIMULATION LogLQ - Markov ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.66				-0.10			
K	5.25				-0.81			
C	-0.19	-0.01			0.17	-0.14		
K	0.19	-0.04			0.80	-0.83		
C	-0.10	-0.08	-0.07		0.14	-0.09	-0.01	
K	0.35	-0.11	-0.18		0.75	-0.75	-0.01	
C	-0.13	0.17	-0.31	-0.08	0.15	-0.18	0.12	-0.04
K	0.25	0.64	-0.90	-0.25	0.78	-1.00	0.38	-0.12
R2	0.30	0.32	0.32	0.32	0.71	0.74	0.74	0.74

SIMULATION Coleman ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.93				-0.16			
K	6.35				-1.06			
C	0.04	0.08			0.10	-0.13		
K	0.34	0.29			0.73	-0.84		
C	0.96	-0.99	0.09		-0.17	0.31	-0.15	
K	2.83	-2.62	0.27		-0.02	0.35	-0.41	

C	1.10	-1.91	0.88	0.07	-0.22	0.61	-0.52	0.10
K	3.19	-5.14	2.42	0.21	-0.13	1.16	-1.43	0.28
R2	0.43	0.44	0.44	0.44	0.75	0.76	0.76	0.77

SIMULATION LinLQ - Normal ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.34				-0.05			
K	2.78				-0.44			
C	-0.04	0.01			0.13	-0.12		
K	0.06	0.09			0.84	-0.86		
C	0.03	-0.01	-0.06		0.10	-0.08	-0.01	
K	0.26	-0.04	-0.09		0.76	-0.74	-0.04	
C	0.03	0.02	-0.05	-0.04	0.10	-0.09	0.00	0.00
K	0.25	-0.09	0.04	-0.08	0.76	-0.72	-0.09	0.03
R2	0.17	0.33	0.33	0.33	0.44	0.76	0.76	0.76

SIMULATION LinLQ - Markov ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.48				-0.08			
K	3.68				-0.58			
C	-0.07	0.03			0.14	-0.13		
K	0.04	0.07			0.86	-0.88		
C	-0.11	0.08	-0.01		0.15	-0.16	0.01	
K	-0.14	0.26	0.00		0.93	-1.00	0.04	
C	-0.12	0.16	-0.07	-0.02	0.15	-0.19	0.06	-0.02
K	-0.15	0.51	-0.21	-0.06	0.93	-1.09	0.19	-0.05
R2	0.27	0.35	0.35	0.35	0.65	0.79	0.79	0.79

SIMULATION Dynamic Programing ****

CASE 5.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.72				-0.11			
K	5.56				-0.85			
C	-0.65	0.05			0.31	-0.22		
K	-1.01	0.16			1.16	-1.04		
C	-0.88	0.35	0.03		0.38	-0.35	0.05	
K	-1.18	0.29	0.10		1.21	-1.12	0.02	
C	-0.92	0.32	0.08	0.04	0.39	-0.35	0.02	0.01
K	-1.16	0.47	-0.34	0.11	1.21	-1.17	0.17	-0.07

R2	0.37	0.37	0.37	0.37	0.76	0.76	0.76	0.76

SIMULATION INGRAM ****

CASE 6.: COVARIANCE MATRICES OF C, AND K

0.01	
0.14	1.38

SIMULATION MARCET ****

CASE 6.: COVARIANCE MATRICES OF C, AND K

0.03	
0.27	2.29

SIMULATION TAUCHEN ****

CASE 6.: COVARIANCE MATRICES OF C, AND K

0.04	
0.26	2.14

SIMULATION GAGNON ****

CASE 6.: COVARIANCE MATRICES OF C, AND K

0.03	
0.27	2.33

SIMULATION LogLQ - Normal ****

CASE 6.: COVARIANCE MATRICES OF C, AND K

0.04

```
         0.32    2.71


SIMULATION LogLQ - Markov              ****

CASE  6.: COVARIANCE MATRICES OF C, AND K


         0.04
         0.27    2.27


SIMULATION Coleman                     ****

CASE  6.: COVARIANCE MATRICES OF C, AND K


         0.02
         0.18    1.44


SIMULATION LinLQ - Normal              ****

CASE  6.: COVARIANCE MATRICES OF C, AND K


         0.04
         0.31    2.56


SIMULATION LinLQ - Markov              ****

CASE  6.: COVARIANCE MATRICES OF C, AND K


         0.02
         0.16    1.33


SIMULATION Dynamic Programing          ****

CASE  6.: COVARIANCE MATRICES OF C, AND K
```

0.02
0.17 1.41

SIMULATION INGRAM ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	1.00	
2.	1.00	1.00	0.99	1.00	
3.	1.00	1.00	0.98	1.00	
4.	0.99	0.99	0.97	0.99	
5.	0.99	0.99	0.96	0.99	
6.	0.98	0.98	0.95	0.98	
7.	0.97	0.97	0.94	0.98	
8.	0.96	0.96	0.93	0.97	
9.	0.95	0.95	0.92	0.96	
10.	0.94	0.94	0.90	0.95	

SIMULATION MARCET ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.98	
2.	1.00	0.99	0.94	0.98	
3.	0.99	0.98	0.93	0.99	
4.	0.99	0.97	0.91	0.99	
5.	0.98	0.96	0.89	0.99	
6.	0.97	0.95	0.87	0.99	
7.	0.96	0.93	0.85	0.98	
8.	0.95	0.92	0.84	0.97	
9.	0.94	0.90	0.82	0.96	
10.	0.92	0.89	0.80	0.95	

SIMULATION TAUCHEN ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.94	0.95	
2.	1.00	0.96	0.92	0.96	
3.	0.99	0.94	0.91	0.96	
4.	0.99	0.93	0.89	0.96	
5.	0.98	0.92	0.88	0.95	
6.	0.97	0.90	0.86	0.95	
7.	0.96	0.89	0.85	0.94	
8.	0.95	0.87	0.83	0.94	
9.	0.93	0.86	0.82	0.93	
10.	0.92	0.85	0.80	0.92	

SIMULATION GAGNON ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.97	
2.	0.99	0.98	0.94	0.97	
3.	0.99	0.96	0.92	0.97	
4.	0.98	0.95	0.91	0.97	
5.	0.97	0.94	0.89	0.96	
6.	0.95	0.92	0.87	0.96	
7.	0.94	0.91	0.86	0.95	
8.	0.93	0.89	0.84	0.94	

9.	0.91	0.88	0.82	0.93
10.	0.90	0.86	0.81	0.91

SIMULATION LogLQ - Normal ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.96	0.98
2.	1.00	0.99	0.95	0.99
3.	1.00	0.99	0.93	0.99
4.	0.99	0.98	0.92	0.99
5.	0.98	0.97	0.90	0.99
6.	0.98	0.95	0.89	0.99
7.	0.97	0.94	0.87	0.98
8.	0.95	0.93	0.85	0.98
9.	0.94	0.91	0.83	0.97
10.	0.93	0.90	0.82	0.96

SIMULATION LogLQ - Markov ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.96	0.98
2.	1.00	0.99	0.94	0.99
3.	1.00	0.98	0.93	0.99
4.	0.99	0.97	0.91	0.99
5.	0.98	0.96	0.90	0.99
6.	0.98	0.95	0.88	0.99
7.	0.97	0.94	0.86	0.98
8.	0.95	0.92	0.85	0.98
9.	0.94	0.91	0.83	0.97
10.	0.93	0.89	0.81	0.96

SIMULATION Coleman ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.95	0.98
2.	1.00	0.99	0.93	0.98
3.	0.99	0.98	0.91	0.99
4.	0.98	0.96	0.88	0.99
5.	0.97	0.95	0.86	0.98
6.	0.96	0.93	0.84	0.97
7.	0.94	0.91	0.81	0.96
8.	0.92	0.89	0.79	0.95
9.	0.91	0.86	0.76	0.94
10.	0.88	0.84	0.73	0.92

SIMULATION LinLQ - Normal ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.95	0.98
2.	1.00	0.99	0.94	0.98
3.	1.00	0.98	0.93	0.99
4.	0.99	0.97	0.91	0.99
5.	0.98	0.96	0.89	0.99
6.	0.97	0.95	0.88	0.99
7.	0.97	0.94	0.86	0.98
8.	0.95	0.92	0.84	0.97
9.	0.94	0.91	0.82	0.97
10.	0.93	0.89	0.80	0.96

SIMULATION LinLQ - Markov ****
CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.94	0.97	
2.	1.00	0.99	0.93	0.98	
3.	1.00	0.98	0.91	0.98	
4.	0.99	0.97	0.89	0.99	
5.	0.98	0.96	0.87	0.99	
6.	0.97	0.94	0.85	0.98	
7.	0.96	0.93	0.83	0.98	
8.	0.95	0.91	0.81	0.97	
9.	0.93	0.89	0.79	0.96	
10.	0.92	0.87	0.77	0.95	

SIMULATION Dynamic Programing ****

CASE 6.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.98	
2.	1.00	0.99	0.93	0.98	
3.	1.00	0.98	0.92	0.99	
4.	0.99	0.97	0.90	0.99	
5.	0.98	0.96	0.88	0.99	
6.	0.97	0.94	0.86	0.99	
7.	0.96	0.93	0.84	0.98	
8.	0.95	0.91	0.82	0.97	
9.	0.93	0.89	0.80	0.96	
10.	0.92	0.88	0.78	0.95	

SIMULATION INGRAM ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
1.00				
1.91	-0.92			
1.85	-0.78	-0.07		
1.85	-0.77	-0.09	0.01	

SIMULATION MARCET ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.99				
1.08	-0.09			
1.08	0.00	-0.09		
1.07	0.00	-0.03	-0.06	

SIMULATION TAUCHEN ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.96				
0.66	0.31			
0.61	0.22	0.15		
0.60	0.20	0.12	0.06	

SIMULATION GAGNON ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.01	-0.03			
1.02	-0.16	0.13		
1.02	-0.16	0.14	-0.01	

SIMULATION LogLQ - Normal ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.11	-0.12			
1.10	-0.02	-0.09		
1.09	-0.02	0.00	-0.08	

SIMULATION LogLQ - Markov ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.11	-0.12			
1.10	-0.03	-0.08		
1.09	-0.04	0.02	-0.08	

SIMULATION Coleman ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.10	-0.12			
1.09	0.00	-0.10		
1.08	0.00	0.00	-0.09	

SIMULATION LinLQ - Normal ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.12	-0.13			
1.11	-0.03	-0.09		
1.10	-0.03	-0.01	-0.08	

SIMULATION LinLQ - Markov ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.09	-0.10			

1.08	0.00	-0.10	
1.07	0.00	0.00	-0.09

SIMULATION Dynamic Programing ****

CASE 6.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4
0.99			
1.08	-0.09		
1.07	0.00	-0.08	
1.06	0.00	-0.01	-0.07

SIMULATION INGRAM ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.81	-0.82		
1.60	-0.33	-0.27	
1.57	-0.36	-0.12	-0.09

SIMULATION MARCET ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.91	-0.91		
1.88	-0.86	-0.03	
1.88	-0.87	0.00	-0.01

SIMULATION TAUCHEN ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.74	-0.74		
1.60	-0.43	-0.18	
1.59	-0.46	-0.04	-0.09

SIMULATION GAGNON ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.92	-0.92		
2.08	-1.25	0.17	
2.08	-1.29	0.25	-0.04

SIMULATION LogLQ - Normal ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.92	-0.92	0.00		
1.92	-0.93	0.03	-0.02	

SIMULATION LogLQ - Markov ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.93	-0.94	0.01		
1.93	-0.96	0.05	-0.02	

SIMULATION Coleman ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.91	-0.91			
1.87	-0.84	-0.04		
1.87	-0.86	0.00	-0.02	

SIMULATION LinLQ - Normal ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.93	-0.93	0.00		
1.93	-0.94	0.01	-0.01	

SIMULATION LinLQ - Markov ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.92	-0.92	0.00		
1.92	-0.92	0.00	0.00	

SIMULATION Dynamic Programing ****

CASE 6.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.91	-0.91			

				1.89	-0.87	-0.02		
				1.89	-0.88	0.00	-0.02	

SIMULATION INGRAM ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.50				-0.05				
K	5.66				0.43				
C	1.87	-0.85			0.00	0.00			
K	9.59	-9.60			1.09	-0.08			
C	1.82	-0.68	-0.12		-0.01	0.00	0.00		
K	10.54	-13.02	2.48		1.25	-0.26	0.01		
C	1.81	-0.53	-0.51	0.25	-0.01	0.02	-0.02	0.00	
K	10.54	-12.82	1.77	0.52	1.25	-0.23	-0.03	0.00	

SIMULATION MARCET ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.09				-0.01				
K	1.48				0.82				
C	1.22	0.03			-0.13	0.09			
K	0.37	0.05			1.61	-0.66			
C	1.69	-0.48	0.02		-0.47	0.75	-0.31		
K	1.14	-0.79	0.03		1.05	0.41	-0.50		
C	1.66	-0.58	0.11	0.05	-0.45	0.81	-0.46	0.08	
K	1.11	-0.85	0.07	0.06	1.07	0.44	-0.61	0.05	

SIMULATION TAUCHEN ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	0.67				0.04				
K	0.64				0.92				
C	0.52	0.04			0.40	-0.35			
K	0.42	-0.04			1.61	-0.65			
C	0.53	0.01	0.03		0.42	-0.40	0.03		
K	0.44	-0.05	-0.03		1.63	-0.71	0.03		
C	0.53	0.00	0.03	0.01	0.42	-0.41	0.05	-0.01	
K	0.44	-0.05	-0.01	-0.02	1.63	-0.72	0.05	-0.01	

SIMULATION GAGNON ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	0.97				0.00				
K	1.15				0.86				

C	0.76	-0.17			0.31	-0.26		
K	0.27	-0.13			1.78	-0.80		
C	0.89	-0.24	0.08		0.16	-0.07	-0.06	
K	0.39	-0.21	0.04		1.62	-0.56	-0.09	
C	0.91	-0.18	0.01	-0.06	0.13	-0.13	0.16	-0.13
K	0.40	-0.19	0.00	-0.05	1.61	-0.57	0.02	-0.08

SIMULATION LogLQ - Normal ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.09				-0.01			
K	1.43				0.83			
C	0.83	0.01			0.18	-0.16		
K	-0.08	0.01			1.98	-0.97		
C	0.79	0.04	0.02		0.22	-0.23	0.03	
K	-0.23	0.15	0.02		2.09	-1.19	0.10	
C	0.78	0.13	-0.09	0.02	0.22	-0.31	0.16	-0.06
K	-0.24	0.26	-0.11	0.02	2.10	-1.28	0.26	-0.08

SIMULATION LogLQ - Markov ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.09				-0.01			
K	1.42				0.83			
C	0.83	-0.01			0.19	-0.17		
K	-0.09	-0.01			1.99	-0.98		
C	0.66	0.17	0.02		0.32	-0.43	0.12	
K	-0.32	0.21	0.03		2.17	-1.32	0.16	
C	0.65	0.21	-0.02	0.00	0.33	-0.47	0.20	-0.03
K	-0.32	0.28	-0.04	0.00	2.17	-1.39	0.26	-0.05

SIMULATION Coleman ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.11				-0.02			
K	1.59				0.80			
C	0.84	0.04			0.15	-0.14		
K	-0.11	0.06			1.95	-0.95		
C	1.63	-0.86	0.03		-0.40	0.92	-0.50	
K	0.76	-0.94	0.04		1.35	0.22	-0.55	
C	1.73	-1.46	0.56	0.02	-0.47	1.39	-1.21	0.31
K	0.84	-1.44	0.48	0.02	1.30	0.60	-1.15	0.26

SIMULATION LinLQ - Normal ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.08				-0.01			
K	1.30				0.84			
C	0.92	-0.02			0.13	-0.12		
K	-0.01	-0.01			1.94	-0.94		
C	1.05	-0.16	0.00		0.03	0.09	-0.10	
K	0.11	-0.14	0.00		1.84	-0.74	-0.09	
C	1.05	-0.04	-0.13	0.00	0.03	-0.02	0.09	-0.09
K	0.10	0.06	-0.21	0.00	1.85	-0.91	0.22	-0.15

SIMULATION LinLQ - Markov ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.08				-0.01			
K	1.26				0.84			
C	0.96	0.01			0.08	-0.08		
K	0.05	0.01			1.87	-0.88		
C	0.85	0.13	0.00		0.18	-0.26	0.09	
K	-0.11	0.18	0.00		2.01	-1.14	0.12	
C	0.84	0.28	-0.14	-0.02	0.18	-0.39	0.32	-0.11
K	-0.11	0.35	-0.16	-0.02	2.01	-1.29	0.40	-0.13

SIMULATION Dynamic Programing ****

CASE 6.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.08				-0.01			
K	1.42				0.83			
C	0.76	0.03			0.22	-0.19		
K	-0.27	0.04			2.09	-1.07		
C	0.09	0.71	0.02		0.73	-1.15	0.44	
K	-1.01	0.78	0.02		2.66	-2.13	0.49	
C	0.08	0.59	0.13	0.02	0.73	-1.07	0.27	0.08
K	-1.01	0.68	0.11	0.02	2.66	-2.05	0.34	0.07

SIMULATION INGRAM ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.00

SIMULATION MARCET ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION TAUCHEN ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION GAGNON ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.00

SIMULATION LogLQ - Normal ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION LogLQ - Markov ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION Coleman ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION LinLQ - Normal ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.01
```

SIMULATION LinLQ - Markov ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION Dynamic Programing ****

CASE 6.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION INGRAM ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

```
------------ C -----------  ------------ K --------          ****
 1      2      3      4      1      2      3      4           ****
          LAGS                          LAGS            ****
```

C	0.50				-0.05			
K	5.66				-0.57			
C	0.87	-0.85			0.00	0.00		
K	9.58	-9.59			0.09	-0.08		
C	0.82	-0.67	-0.14		-0.01	0.00	0.00	
K	10.56	-13.11	2.56		0.25	-0.27	0.01	
C	0.82	-0.56	-0.51	0.27	-0.01	0.02	-0.02	0.00
K	10.49	-12.69	1.76	0.45	0.24	-0.22	-0.02	0.00
R2	0.81	0.84	0.84	0.84	0.91	0.95	0.95	0.95

SIMULATION MARCET ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.09				-0.01			
K	1.48				-0.18			
C	0.22	0.03			-0.12	0.09		
K	0.37	0.05			0.61	-0.66		
C	0.69	-0.48	0.02		-0.47	0.75	-0.31	
K	1.14	-0.79	0.03		0.05	0.40	-0.50	
C	0.66	-0.58	0.11	0.05	-0.45	0.80	-0.46	0.08
K	1.11	-0.85	0.07	0.06	0.07	0.43	-0.60	0.05
R2	0.04	0.04	0.05	0.05	0.83	0.84	0.84	0.84

SIMULATION TAUCHEN ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.33				0.04			
K	0.64				-0.08			
C	-0.49	0.04			0.40	-0.35		
K	0.42	-0.04			0.61	-0.65		
C	-0.47	0.01	0.03		0.42	-0.40	0.03	
K	0.44	-0.05	-0.03		0.63	-0.71	0.03	
C	-0.47	0.00	0.03	0.01	0.42	-0.41	0.05	-0.01
K	0.44	-0.05	-0.01	-0.02	0.63	-0.72	0.05	-0.01
R2	0.14	0.38	0.38	0.38	0.25	0.63	0.63	0.64

SIMULATION GAGNON ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.03				0.00			
K	1.15				-0.14			
C	-0.23	-0.17			0.31	-0.26		

K	0.27	-0.13			0.78	-0.80		
C	-0.11	-0.24	0.08		0.15	-0.06	-0.06	
K	0.39	-0.21	0.04		0.62	-0.55	-0.10	
C	-0.09	-0.18	0.01	-0.06	0.13	-0.13	0.17	-0.13
K	0.41	-0.19	0.00	-0.05	0.60	-0.57	0.03	-0.08
R2	0.01	0.03	0.03	0.04	0.81	0.86	0.86	0.86

SIMULATION LogLQ - Normal ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.09				-0.01			
K	1.43				-0.17			
C	-0.17	0.01			0.18	-0.16		
K	-0.08	0.01			0.98	-0.97		
C	-0.21	0.04	0.02		0.22	-0.23	0.03	
K	-0.23	0.15	0.02		1.09	-1.19	0.10	
C	-0.22	0.13	-0.09	0.02	0.22	-0.30	0.16	-0.06
K	-0.23	0.26	-0.11	0.02	1.10	-1.28	0.26	-0.08
R2	0.05	0.05	0.05	0.05	0.84	0.85	0.85	0.85

SIMULATION LogLQ - Markov ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.09				-0.01			
K	1.42				-0.17			
C	-0.17	-0.01			0.19	-0.17		
K	-0.09	-0.01			0.99	-0.98		
C	-0.35	0.17	0.02		0.33	-0.44	0.13	
K	-0.32	0.22	0.03		1.17	-1.34	0.17	
C	-0.35	0.22	-0.03	0.00	0.33	-0.49	0.21	-0.03
K	-0.33	0.29	-0.04	0.00	1.18	-1.40	0.28	-0.05
R2	0.04	0.05	0.05	0.05	0.83	0.84	0.84	0.84

SIMULATION Coleman ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.10				-0.02			
K	1.59				-0.20			
C	-0.16	0.04			0.15	-0.14		
K	-0.11	0.06			0.95	-0.95		
C	0.63	-0.86	0.03		-0.39	0.92	-0.50	
K	0.76	-0.94	0.04		0.35	0.21	-0.55	

C	0.73	-1.46	0.56	0.02	-0.46	1.39	-1.21	0.31
K	0.84	-1.44	0.48	0.02	0.30	0.60	-1.15	0.26
R2	0.06	0.06	0.06	0.06	0.82	0.83	0.83	0.83

SIMULATION LinLQ - Normal ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.08				-0.01			
K	1.30				-0.16			
C	-0.08	-0.02			0.13	-0.12		
K	-0.01	-0.01			0.94	-0.94		
C	0.05	-0.16	0.00		0.03	0.09	-0.10	
K	0.11	-0.14	0.00		0.84	-0.74	-0.09	
C	0.05	-0.04	-0.13	0.00	0.03	-0.02	0.09	-0.09
K	0.10	0.06	-0.21	0.00	0.84	-0.91	0.22	-0.15
R2	0.04	0.05	0.05	0.05	0.81	0.85	0.85	0.85

SIMULATION LinLQ - Markov ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.08				-0.01			
K	1.26				-0.16			
C	-0.04	0.01			0.08	-0.08		
K	0.05	0.01			0.87	-0.88		
C	-0.15	0.13	0.00		0.18	-0.26	0.09	
K	-0.11	0.18	0.00		1.01	-1.14	0.12	
C	-0.16	0.28	-0.14	-0.02	0.18	-0.39	0.32	-0.11
K	-0.11	0.35	-0.16	-0.02	1.01	-1.29	0.40	-0.13
R2	0.04	0.04	0.04	0.05	0.83	0.85	0.85	0.85

SIMULATION Dynamic Programing ****

CASE 6.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.08				-0.01			
K	1.42				-0.17			
C	-0.24	0.03			0.22	-0.19		
K	-0.27	0.04			1.09	-1.07		
C	-0.91	0.71	0.02		0.73	-1.15	0.44	
K	-1.01	0.78	0.02		1.66	-2.13	0.49	
C	-0.92	0.59	0.13	0.02	0.73	-1.07	0.27	0.08
K	-1.01	0.68	0.11	0.02	1.66	-2.05	0.34	0.07

R2	0.04	0.04	0.04	0.04	0.83	0.83	0.83	0.83

SIMULATION INGRAM ****

CASE 7.: COVARIANCE MATRICES OF C, AND K

0.01	
0.09	1.10

SIMULATION MARCET ****

CASE 7.: COVARIANCE MATRICES OF C, AND K

0.03	
0.27	2.29

SIMULATION TAUCHEN ****

CASE 7.: COVARIANCE MATRICES OF C, AND K

0.04	
0.35	3.58

SIMULATION GAGNON ****

CASE 7.: COVARIANCE MATRICES OF C, AND K

0.04	
0.42	4.52

SIMULATION LogLQ - Normal ****

CASE 7.: COVARIANCE MATRICES OF C, AND K

0.05

```
        0.50    5.24


SIMULATION LogLQ - Markov              ****

CASE  7.: COVARIANCE MATRICES OF C, AND K


        0.05
        0.42    4.31


SIMULATION Coleman                     ****

CASE  7.: COVARIANCE MATRICES OF C, AND K


        0.02
        0.23    2.32


SIMULATION LinLQ - Normal              ****

CASE  7.: COVARIANCE MATRICES OF C, AND K


        0.03
        0.25    2.55


SIMULATION LinLQ - Markov              ****

CASE  7.: COVARIANCE MATRICES OF C, AND K


        0.02
        0.20    2.03


SIMULATION Dynamic Programing          ****

CASE  7.: COVARIANCE MATRICES OF C, AND K
```

0.02
0.21 2.21

SIMULATION INGRAM ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	0.99	
2.	1.00	1.00	0.98	0.99	
3.	0.99	1.00	0.97	0.99	
4.	0.99	0.99	0.96	0.99	
5.	0.98	0.99	0.96	0.99	
6.	0.98	0.98	0.95	0.99	
7.	0.97	0.98	0.94	0.99	
8.	0.97	0.97	0.93	0.98	
9.	0.96	0.96	0.92	0.98	
10.	0.95	0.96	0.91	0.97	

SIMULATION MARCET ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.98	
2.	1.00	0.99	0.94	0.98	
3.	0.99	0.98	0.93	0.99	
4.	0.99	0.97	0.91	0.99	
5.	0.98	0.96	0.89	0.99	
6.	0.97	0.95	0.87	0.99	
7.	0.96	0.93	0.85	0.98	
8.	0.95	0.92	0.84	0.97	
9.	0.94	0.90	0.82	0.96	
10.	0.92	0.89	0.80	0.95	

SIMULATION TAUCHEN ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.93	0.94	
2.	1.00	0.96	0.91	0.94	
3.	1.00	0.95	0.90	0.95	
4.	0.99	0.94	0.89	0.95	
5.	0.99	0.92	0.88	0.95	
6.	0.98	0.91	0.87	0.95	
7.	0.97	0.90	0.85	0.95	
8.	0.97	0.89	0.84	0.95	
9.	0.96	0.88	0.83	0.94	
10.	0.95	0.87	0.82	0.94	

SIMULATION GAGNON ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.96	
2.	0.99	0.98	0.93	0.96	
3.	0.98	0.96	0.92	0.96	
4.	0.98	0.95	0.90	0.96	
5.	0.97	0.94	0.89	0.95	
6.	0.95	0.92	0.88	0.95	
7.	0.94	0.91	0.86	0.94	
8.	0.93	0.90	0.85	0.94	

9.	0.92	0.88	0.83	0.93
10.	0.91	0.87	0.82	0.92

SIMULATION LogLQ - Normal ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.96	0.97
2.	1.00	0.99	0.95	0.98
3.	1.00	0.99	0.94	0.98
4.	1.00	0.98	0.93	0.99
5.	0.99	0.97	0.92	0.99
6.	0.99	0.97	0.91	0.99
7.	0.98	0.96	0.91	0.99
8.	0.98	0.95	0.90	0.99
9.	0.97	0.94	0.89	0.98
10.	0.97	0.93	0.88	0.98

SIMULATION LogLQ - Markov ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.95	0.96
2.	1.00	0.99	0.93	0.97
3.	1.00	0.99	0.92	0.98
4.	0.99	0.98	0.91	0.98
5.	0.99	0.97	0.90	0.98
6.	0.98	0.96	0.88	0.98
7.	0.98	0.95	0.87	0.98
8.	0.97	0.94	0.86	0.98
9.	0.96	0.93	0.84	0.98
10.	0.96	0.92	0.83	0.98

SIMULATION Coleman ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.93	0.96
2.	1.00	0.99	0.91	0.97
3.	0.99	0.98	0.89	0.97
4.	0.99	0.96	0.87	0.98
5.	0.98	0.95	0.86	0.98
6.	0.97	0.93	0.84	0.98
7.	0.96	0.92	0.81	0.97
8.	0.95	0.90	0.79	0.97
9.	0.93	0.88	0.77	0.96
10.	0.92	0.86	0.75	0.95

SIMULATION LinLQ - Normal ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.93	0.96
2.	1.00	0.99	0.92	0.97
3.	1.00	0.98	0.90	0.97
4.	0.99	0.97	0.89	0.98
5.	0.99	0.95	0.87	0.98
6.	0.98	0.94	0.86	0.98
7.	0.97	0.93	0.84	0.98
8.	0.96	0.92	0.82	0.98
9.	0.95	0.90	0.81	0.97
10.	0.94	0.89	0.79	0.97

SIMULATION LinLQ - Markov ****
CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.92	0.95	
2.	1.00	0.99	0.90	0.96	
3.	1.00	0.98	0.89	0.96	
4.	0.99	0.97	0.87	0.97	
5.	0.99	0.95	0.86	0.97	
6.	0.98	0.94	0.84	0.98	
7.	0.97	0.93	0.82	0.98	
8.	0.96	0.91	0.80	0.98	
9.	0.96	0.90	0.79	0.97	
10.	0.94	0.88	0.77	0.97	

SIMULATION Dynamic Programing ****

CASE 7.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.93	0.96	
2.	1.00	0.99	0.91	0.96	
3.	1.00	0.98	0.90	0.97	
4.	0.99	0.97	0.88	0.98	
5.	0.99	0.96	0.87	0.98	
6.	0.98	0.94	0.85	0.98	
7.	0.97	0.93	0.84	0.98	
8.	0.97	0.92	0.82	0.98	
9.	0.96	0.90	0.80	0.98	
10.	0.95	0.89	0.79	0.97	

SIMULATION INGRAM ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.95	-0.95			
2.05	-1.15	0.10		
2.04	-1.13	0.07	0.02	

SIMULATION MARCET ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.08	-0.09			
1.08	0.00	-0.09		
1.07	0.00	-0.03	-0.06	

SIMULATION TAUCHEN ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.96				
0.68	0.29			
0.63	0.18	0.17		
0.62	0.17	0.13	0.06	

SIMULATION GAGNON ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.02	-0.03			
1.02	-0.18	0.15		
1.02	-0.18	0.13	0.02	

SIMULATION LogLQ - Normal ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.05	-0.06			
1.05	-0.05	0.00		
1.05	-0.05	0.00	0.00	

SIMULATION LogLQ - Markov ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.07	-0.07			
1.07	-0.05	-0.02		
1.06	-0.06	0.04	-0.06	

SIMULATION Coleman ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.04	-0.05			
1.04	0.00	-0.05		
1.03	0.00	0.00	-0.05	

SIMULATION LinLQ - Normal ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.05	-0.06			
1.05	-0.01	-0.05		
1.05	-0.01	-0.05	0.00	

SIMULATION LinLQ - Markov ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.04	-0.05			

1.03	0.01	-0.05	
1.03	0.01	0.01	-0.06

SIMULATION Dynamic Programing ****

CASE 7.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4
0.99			
1.02	-0.03		
1.02	0.01	-0.04	
1.02	0.01	0.00	-0.03

SIMULATION INGRAM ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.37	-0.38		
1.29	-0.06	-0.23	
1.25	-0.06	-0.04	-0.15

SIMULATION MARCET ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.91	-0.91		
1.88	-0.86	-0.03	
1.88	-0.87	0.00	-0.01

SIMULATION TAUCHEN ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.75	-0.75		
1.63	-0.47	-0.16	
1.61	-0.53	0.03	-0.11

SIMULATION GAGNON ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4
1.00			
1.93	-0.93		
2.08	-1.25	0.16	
2.09	-1.29	0.23	-0.03

SIMULATION LogLQ - Normal ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.94	-0.96	0.02		
1.94	-0.97	0.04	-0.01	

SIMULATION LogLQ - Markov ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.93	-0.93			
1.95	-0.97	0.02		
1.95	-1.00	0.09	-0.03	

SIMULATION Coleman ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.89	-0.86	-0.03		
1.89	-0.87	0.00	-0.02	

SIMULATION LinLQ - Normal ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.92	-0.92			
1.93	-0.94	0.01		
1.93	-0.93	-0.02	0.01	

SIMULATION LinLQ - Markov ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.93	-0.93			
1.93	-0.93	0.00		
1.93	-0.93	0.00	0.00	

SIMULATION Dynamic Programing ****

CASE 7.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.93	-0.93			

				1.90	-0.88	-0.02		
				1.90	-0.90	0.01	-0.02	

SIMULATION INGRAM ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.22				-0.02			
K	3.29				0.72			
C	1.98	-0.98			0.00	0.00		
K	12.58	-12.14			0.98	-0.01		
C	2.00	-1.04	0.03		0.00	0.00	0.00	
K	15.91	-19.97	4.51		1.06	-0.08	-0.02	
C	1.97	-0.71	-0.58	0.32	0.00	0.01	-0.01	0.00
K	17.24	-31.28	25.54	-11.15	1.09	-0.30	0.17	0.02

SIMULATION MARCET ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.09				-0.01			
K	1.48				0.82			
C	1.22	0.03			-0.13	0.09		
K	0.37	0.05			1.61	-0.66		
C	1.69	-0.48	0.02		-0.47	0.75	-0.31	
K	1.14	-0.79	0.03		1.05	0.41	-0.50	
C	1.66	-0.58	0.11	0.05	-0.45	0.81	-0.46	0.08
K	1.11	-0.85	0.07	0.06	1.07	0.44	-0.61	0.05

SIMULATION TAUCHEN ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.76				0.02			
K	0.62				0.94			
C	0.58	0.04			0.39	-0.35		
K	0.37	-0.03			1.60	-0.63		
C	0.59	0.01	0.04		0.39	-0.38	0.02	
K	0.40	-0.04	-0.04		1.64	-0.73	0.05	
C	0.59	0.01	0.04	0.00	0.39	-0.38	0.03	-0.01
K	0.41	-0.05	-0.03	-0.01	1.64	-0.73	0.08	-0.01

SIMULATION GAGNON ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.94				0.00			
K	0.85				0.92			

C	0.90	-0.12			0.17	-0.15		
K	0.20	-0.08			1.79	-0.80		
C	1.01	-0.21	0.12		0.01	0.04	-0.04	
K	0.26	-0.13	0.04		1.69	-0.66	-0.05	
C	1.02	-0.08	0.01	-0.03	-0.01	-0.15	0.39	-0.22
K	0.27	-0.08	0.00	-0.03	1.67	-0.72	0.14	-0.10

SIMULATION LogLQ - Normal ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.03				0.00			
K	1.11				0.89			
C	0.93	-0.03			0.11	-0.10		
K	-0.01	-0.03			1.95	-0.95		
C	1.07	-0.20	0.03		-0.02	0.15	-0.12	
K	0.11	-0.18	0.03		1.84	-0.73	-0.11	
C	1.07	-0.49	0.31	0.04	-0.02	0.43	-0.66	0.26
K	0.11	-0.50	0.34	0.04	1.84	-0.42	-0.70	0.29

SIMULATION LogLQ - Markov ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.04				-0.01			
K	1.09				0.89			
C	1.02	-0.02			0.03	-0.03		
K	0.09	-0.02			1.87	-0.87		
C	1.01	-0.04	0.04		0.04	-0.06	0.01	
K	0.00	0.04	0.04		1.95	-1.04	0.08	
C	1.00	-0.01	0.02	0.00	0.05	-0.09	0.06	-0.02
K	-0.01	0.10	-0.01	0.00	1.96	-1.10	0.18	-0.05

SIMULATION Coleman ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.05				-0.01			
K	1.31				0.87			
C	0.70	0.03			0.25	-0.23		
K	-0.27	0.04			2.11	-1.09		
C	1.44	-0.81	0.03		-0.34	0.94	-0.57	
K	0.42	-0.74	0.03		1.56	0.00	-0.53	
C	1.51	-1.22	0.40	0.01	-0.39	1.32	-1.17	0.27
K	0.44	-0.91	0.17	0.01	1.54	0.15	-0.78	0.11

SIMULATION LinLQ - Normal ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.03				0.00			
K	1.11				0.89			
C	0.90	-0.02			0.13	-0.12		
K	-0.02	-0.02			1.95	-0.95		
C	1.11	-0.24	-0.02		-0.07	0.28	-0.20	
K	0.11	-0.14	-0.02		1.83	-0.71	-0.12	
C	1.11	-0.23	-0.05	0.03	-0.07	0.27	-0.18	-0.01
K	0.11	-0.15	-0.04	0.03	1.83	-0.70	-0.13	0.00

SIMULATION LinLQ - Markov ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.03				0.00			
K	0.98				0.90			
C	0.96	0.01			0.07	-0.07		
K	0.04	0.00			1.89	-0.90		
C	0.84	0.13	0.00		0.19	-0.30	0.11	
K	-0.09	0.15	0.00		2.03	-1.17	0.13	
C	0.84	0.28	-0.14	-0.02	0.19	-0.46	0.42	-0.15
K	-0.10	0.29	-0.13	-0.02	2.03	-1.32	0.42	-0.14

SIMULATION Dynamic Programing ****

CASE 7.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.03				0.00			
K	1.12				0.89			
C	0.84	0.03			0.15	-0.14		
K	-0.13	0.03			2.02	-1.01		
C	0.51	0.36	0.01		0.46	-0.74	0.29	
K	-0.40	0.31	0.02		2.28	-1.51	0.24	
C	0.55	0.73	-0.42	0.01	0.42	-1.05	0.98	-0.35
K	-0.36	0.71	-0.47	0.02	2.24	-1.86	1.02	-0.39

SIMULATION INGRAM ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.00

SIMULATION MARCET ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION TAUCHEN ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION GAGNON ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.00

SIMULATION LogLQ - Normal ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.00

SIMULATION LogLQ - Markov ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION Coleman ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.01
```

SIMULATION LinLQ - Normal ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION LinLQ - Markov ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION Dynamic Programing ****

CASE 7.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.00
```

SIMULATION INGRAM ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

```
------------ C -----------  ------------ K --------          ****
 1      2      3      4      1      2      3      4           ****
          LAGS                          LAGS            ****
```

C	0.22				-0.02			
K	3.29				-0.28			
C	0.98	-0.98			0.00	0.00		
K	12.61	-12.19			-0.02	-0.01		
C	0.99	-1.01	0.02		0.00	0.00	0.00	
K	16.39	-20.96	5.00		0.07	-0.08	-0.02	
C	1.02	-0.82	-0.54	0.33	0.00	0.01	-0.01	0.00
K	15.50	-27.75	24.16	-11.51	0.05	-0.27	0.17	0.02
R2	0.89	0.91	0.91	0.91	0.54	0.55	0.55	0.55

SIMULATION MARCET ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.09				-0.01			
K	1.48				-0.18			
C	0.22	0.03			-0.12	0.09		
K	0.37	0.05			0.61	-0.66		
C	0.69	-0.48	0.02		-0.47	0.75	-0.31	
K	1.14	-0.79	0.03		0.05	0.40	-0.50	
C	0.66	-0.58	0.11	0.05	-0.45	0.80	-0.46	0.08
K	1.11	-0.85	0.07	0.06	0.07	0.43	-0.60	0.05
R2	0.04	0.04	0.05	0.05	0.83	0.84	0.84	0.84

SIMULATION TAUCHEN ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.24				0.02			
K	0.62				-0.06			
C	-0.42	0.04			0.39	-0.35		
K	0.37	-0.03			0.60	-0.63		
C	-0.41	0.01	0.04		0.39	-0.38	0.02	
K	0.41	-0.04	-0.04		0.64	-0.73	0.05	
C	-0.41	0.01	0.04	0.00	0.39	-0.38	0.03	-0.01
K	0.41	-0.05	-0.03	-0.01	0.64	-0.74	0.08	-0.01
R2	0.10	0.33	0.33	0.33	0.32	0.65	0.65	0.65

SIMULATION GAGNON ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.06				0.00			
K	0.85				-0.08			
C	-0.09	-0.12			0.16	-0.14		

K	0.20	-0.08			0.78	-0.80		
C	0.01	-0.21	0.12		0.00	0.05	-0.04	
K	0.26	-0.13	0.05		0.68	-0.65	-0.05	
C	0.02	-0.08	0.01	-0.03	-0.02	-0.15	0.39	-0.22
K	0.27	-0.08	0.00	-0.03	0.67	-0.72	0.14	-0.10
R2	0.02	0.02	0.03	0.04	0.82	0.87	0.87	0.87

SIMULATION LogLQ - Normal ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.03				0.00			
K	1.11				-0.11			
C	-0.07	-0.03			0.11	-0.10		
K	-0.01	-0.03			0.95	-0.95		
C	0.07	-0.20	0.03		-0.02	0.15	-0.12	
K	0.11	-0.18	0.03		0.84	-0.73	-0.11	
C	0.07	-0.49	0.31	0.04	-0.02	0.43	-0.66	0.26
K	0.11	-0.50	0.34	0.04	0.84	-0.42	-0.70	0.29
R2	0.01	0.01	0.01	0.02	0.82	0.85	0.85	0.85

SIMULATION LogLQ - Markov ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.04				-0.01			
K	1.09				-0.11			
C	0.02	-0.02			0.03	-0.03		
K	0.09	-0.02			0.87	-0.87		
C	0.00	-0.03	0.04		0.05	-0.06	0.01	
K	0.00	0.04	0.04		0.95	-1.04	0.08	
C	0.01	-0.01	0.02	0.00	0.04	-0.08	0.05	-0.02
K	0.00	0.09	-0.01	0.00	0.95	-1.08	0.16	-0.04
R2	0.02	0.02	0.02	0.02	0.85	0.87	0.87	0.87

SIMULATION Coleman ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.05				-0.01			
K	1.31				-0.13			
C	-0.30	0.03			0.25	-0.23		
K	-0.27	0.04			1.11	-1.09		
C	0.43	-0.81	0.03		-0.33	0.94	-0.57	
K	0.41	-0.74	0.03		0.56	0.00	-0.53	

C	0.51	-1.22	0.40	0.01	-0.39	1.32	-1.17	0.27
K	0.44	-0.91	0.17	0.01	0.54	0.15	-0.78	0.11
R2	0.02	0.03	0.03	0.03	0.84	0.85	0.85	0.85

SIMULATION LinLQ - Normal ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.03				0.00			
K	1.11				-0.11			
C	-0.10	-0.02			0.13	-0.12		
K	-0.02	-0.02			0.95	-0.95		
C	0.11	-0.24	-0.02		-0.07	0.28	-0.20	
K	0.11	-0.14	-0.02		0.83	-0.71	-0.12	
C	0.11	-0.22	-0.06	0.03	-0.07	0.26	-0.17	-0.01
K	0.11	-0.14	-0.04	0.03	0.83	-0.71	-0.12	0.00
R2	0.01	0.02	0.02	0.02	0.83	0.86	0.86	0.86

SIMULATION LinLQ - Markov ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.03				0.00			
K	0.98				-0.10			
C	-0.04	0.01			0.07	-0.07		
K	0.04	0.00			0.89	-0.90		
C	-0.16	0.13	0.00		0.19	-0.30	0.11	
K	-0.09	0.15	0.00		1.03	-1.17	0.13	
C	-0.16	0.28	-0.14	-0.02	0.19	-0.46	0.42	-0.15
K	-0.10	0.29	-0.13	-0.02	1.03	-1.32	0.42	-0.14
R2	0.02	0.02	0.02	0.02	0.86	0.87	0.87	0.87

SIMULATION Dynamic Programing ****

CASE 7.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.03				0.00			
K	1.12				-0.11			
C	-0.16	0.03			0.15	-0.14		
K	-0.13	0.03			1.02	-1.01		
C	-0.49	0.36	0.01		0.46	-0.74	0.29	
K	-0.40	0.31	0.02		1.28	-1.51	0.24	
C	-0.45	0.73	-0.42	0.01	0.42	-1.05	0.98	-0.35
K	-0.36	0.71	-0.47	0.02	1.24	-1.86	1.02	-0.39

R2	0.02	0.02	0.02	0.02	0.85	0.86	0.86	0.86

SIMULATION INGRAM ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

2.37	
3.04	4.00

SIMULATION MARCET ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.05	
1.20	29.74

SIMULATION TAUCHEN ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.07	
0.89	16.32

SIMULATION GAGNON ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.05	
0.79	13.08

SIMULATION LogLQ - Normal ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.04

0.67 11.71

SIMULATION LogLQ - Markov ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.04
0.76 13.43

SIMULATION Coleman ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.03
0.39 5.18

SIMULATION LinLQ - Normal ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.06
1.05 18.61

SIMULATION LinLQ - Markov ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.03
0.57 9.84

SIMULATION Dynamic Programing ****

CASE 8.: COVARIANCE MATRICES OF C, AND K

0.03
0.58 10.12

SIMULATION INGRAM ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.98	0.98	
2.	1.00	0.99	0.98	0.98	
3.	0.99	0.99	0.97	0.98	
4.	0.99	0.98	0.96	0.97	
5.	0.98	0.98	0.96	0.97	
6.	0.98	0.97	0.95	0.96	
7.	0.97	0.96	0.95	0.96	
8.	0.97	0.96	0.94	0.95	
9.	0.96	0.95	0.93	0.95	
10.	0.96	0.94	0.93	0.94	

SIMULATION MARCET ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.98	
2.	1.00	0.99	0.95	0.98	
3.	1.00	0.99	0.95	0.99	
4.	0.99	0.98	0.94	0.99	
5.	0.99	0.98	0.93	0.99	
6.	0.99	0.97	0.92	0.99	
7.	0.98	0.96	0.91	0.99	
8.	0.98	0.95	0.89	0.99	
9.	0.97	0.95	0.88	0.98	
10.	0.96	0.94	0.87	0.98	

SIMULATION TAUCHEN ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.82	0.80	
2.	1.00	0.82	0.81	0.80	
3.	0.99	0.77	0.81	0.80	
4.	0.99	0.73	0.80	0.79	
5.	0.98	0.71	0.79	0.79	
6.	0.98	0.70	0.78	0.79	
7.	0.97	0.68	0.77	0.79	
8.	0.96	0.67	0.76	0.78	
9.	0.95	0.67	0.75	0.78	
10.	0.94	0.66	0.74	0.77	

SIMULATION GAGNON ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.94	0.95	
2.	0.99	0.98	0.92	0.95	
3.	0.98	0.95	0.91	0.95	
4.	0.97	0.93	0.90	0.95	
5.	0.96	0.92	0.89	0.94	
6.	0.95	0.91	0.87	0.94	
7.	0.94	0.90	0.86	0.93	
8.	0.93	0.88	0.85	0.93	

9.	0.91	0.87	0.83	0.92
10.	0.90	0.86	0.82	0.91

SIMULATION LogLQ - Normal ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	1.00	0.99	0.97	1.00
4.	0.99	0.99	0.96	0.99
5.	0.98	0.98	0.95	0.99
6.	0.97	0.97	0.94	0.98
7.	0.96	0.96	0.93	0.97
8.	0.95	0.95	0.91	0.96
9.	0.94	0.93	0.90	0.95
10.	0.93	0.92	0.88	0.94

SIMULATION LogLQ - Markov ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.97	0.99
4.	0.99	0.98	0.96	0.99
5.	0.98	0.97	0.94	0.98
6.	0.97	0.96	0.93	0.97
7.	0.96	0.95	0.92	0.96
8.	0.95	0.94	0.90	0.95
9.	0.93	0.93	0.88	0.94
10.	0.92	0.91	0.87	0.93

SIMULATION Coleman ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.96	0.99
4.	0.98	0.98	0.95	0.98
5.	0.97	0.97	0.93	0.97
6.	0.96	0.95	0.91	0.96
7.	0.94	0.93	0.89	0.94
8.	0.92	0.91	0.87	0.93
9.	0.90	0.89	0.84	0.91
10.	0.88	0.87	0.82	0.89

SIMULATION LinLQ - Normal ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.99	1.00
2.	1.00	1.00	0.98	1.00
3.	0.99	0.99	0.98	0.99
4.	0.99	0.99	0.97	0.99
5.	0.98	0.98	0.96	0.98
6.	0.98	0.97	0.95	0.98
7.	0.97	0.96	0.93	0.97
8.	0.96	0.95	0.92	0.96
9.	0.95	0.94	0.91	0.95
10.	0.94	0.93	0.89	0.94

SIMULATION LinLQ - Markov ****
CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.98	1.00	
2.	1.00	1.00	0.98	1.00	
3.	1.00	0.99	0.97	1.00	
4.	0.99	0.99	0.96	0.99	
5.	0.98	0.98	0.94	0.99	
6.	0.98	0.97	0.93	0.98	
7.	0.97	0.96	0.92	0.98	
8.	0.96	0.95	0.90	0.97	
9.	0.94	0.93	0.88	0.96	
10.	0.93	0.92	0.87	0.95	

SIMULATION Dynamic Programing ****

CASE 8.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	1.00	
2.	1.00	1.00	0.98	1.00	
3.	1.00	0.99	0.97	1.00	
4.	0.99	0.99	0.96	0.99	
5.	0.98	0.98	0.95	0.99	
6.	0.98	0.97	0.94	0.98	
7.	0.97	0.96	0.93	0.97	
8.	0.95	0.95	0.91	0.96	
9.	0.94	0.94	0.90	0.95	
10.	0.93	0.92	0.88	0.94	

SIMULATION INGRAM ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.99				
1.72	-0.72			
1.47	-0.12	-0.35		
1.40	-0.14	-0.09	-0.18	

SIMULATION MARCET ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
1.00				
1.05	-0.05			
1.04	0.01	-0.06		
1.04	0.01	-0.03	-0.03	

SIMULATION TAUCHEN ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.82				
0.55	0.32			
0.51	0.25	0.13		
0.49	0.22	0.07	0.13	

SIMULATION GAGNON ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.98				
1.03	-0.05			
1.04	-0.23	0.17		
1.02	-0.21	0.08	0.08	

SIMULATION LogLQ - Normal ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.35	-0.35			
1.26	-0.02	-0.24		
1.24	-0.02	-0.11	-0.10	

SIMULATION LogLQ - Markov ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.40	-0.41			
1.30	-0.06	-0.25		
1.26	-0.07	-0.04	-0.16	

SIMULATION Coleman ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.51	-0.51			
1.36	-0.08	-0.28		
1.31	-0.10	-0.05	-0.18	

SIMULATION LinLQ - Normal ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.38	-0.38			
1.27	0.01	-0.28		
1.23	0.01	-0.09	-0.15	

SIMULATION LinLQ - Markov ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
1.34	-0.35			

1.26	-0.02	-0.25	
1.21	-0.02	-0.03	-0.17

SIMULATION Dynamic Programing ****

CASE 8.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
1.00				
1.40	-0.40			
1.29	-0.02	-0.28		
1.24	-0.02	-0.05	-0.18	

SIMULATION INGRAM ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.94	-0.94			
1.84	-0.73	-0.11		
1.84	-0.72	-0.12	0.00	

SIMULATION MARCET ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.91	-0.88	-0.03		
1.91	-0.89	-0.01	-0.01	

SIMULATION TAUCHEN ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.63	-0.63			
1.51	-0.33	-0.19		
1.51	-0.33	-0.19	0.00	

SIMULATION GAGNON ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
2.03	-1.14	0.11		
2.03	-1.16	0.14	-0.02	

SIMULATION LogLQ - Normal ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

	LAGS			****
1	2	3	4	****
1.00				
1.90	-0.91			
1.92	-0.94	0.02		
1.92	-0.94	0.03	-0.01	

SIMULATION LogLQ - Markov ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

	LAGS			****
1	2	3	4	****
1.00				
1.92	-0.92			
1.93	-0.95	0.02		
1.93	-0.95	0.01	0.00	

SIMULATION Coleman ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

	LAGS			****
1	2	3	4	****
1.00				
1.91	-0.91			
1.87	-0.84	-0.04		
1.87	-0.86	0.01	-0.02	

SIMULATION LinLQ - Normal ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

	LAGS			****
1	2	3	4	****
1.00				
1.92	-0.93			
1.91	-0.90	-0.01		
1.91	-0.87	-0.08	0.03	

SIMULATION LinLQ - Markov ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

	LAGS			****
1	2	3	4	****
1.00				
1.93	-0.93			
1.92	-0.93	0.00		
1.92	-0.93	0.00	0.00	

SIMULATION Dynamic Programing ****

CASE 8.: UNIVARIATE AUTOREG. FOR CAPITAL, K

	LAGS			****
1	2	3	4	****
1.00				
1.92	-0.92			

				1.90	-0.87	-0.02		
				1.90	-0.89	0.01	-0.02	

SIMULATION INGRAM ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.99				0.00			
K	0.00				1.00			
C	1.19	-0.19			0.48	-0.48		
K	-0.02	0.02			1.96	-0.96		
C	1.48	-0.40	-0.08		-0.15	0.52	-0.37	
K	0.15	-0.19	0.04		1.60	-0.34	-0.27	
C	1.42	-0.13	-0.29	-0.01	-0.08	0.01	0.33	-0.26
K	0.17	-0.21	0.01	0.04	1.58	-0.29	-0.29	-0.01

SIMULATION MARCET ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.06				0.00			
K	3.01				0.88			
C	1.12	0.03			-0.03	0.03		
K	0.46	0.09			1.75	-0.77		
C	1.28	-0.15	0.01		-0.09	0.14	-0.05	
K	1.18	-0.71	0.04		1.49	-0.28	-0.24	
C	1.26	-0.25	0.10	0.05	-0.08	0.16	-0.13	0.04
K	1.13	-0.87	0.15	0.12	1.51	-0.24	-0.36	0.06

SIMULATION TAUCHEN ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.46				0.03			
K	-0.06				1.00			
C	0.50	0.13			0.20	-0.18		
K	0.45	-0.12			1.76	-0.78		
C	0.49	0.14	-0.01		0.19	-0.16	-0.01	
K	0.50	-0.20	0.03		1.82	-0.90	0.06	
C	0.49	0.05	0.08	0.00	0.19	-0.25	0.18	-0.10
K	0.49	-0.11	-0.06	0.01	1.81	-0.81	-0.11	0.09

SIMULATION GAGNON ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.89				0.01			
K	1.18				0.93			

C	0.96	-0.15			0.05	-0.04		
K	0.18	-0.05			1.86	-0.87		
C	0.98	-0.23	0.10		0.04	-0.04	0.00	
K	0.18	-0.10	0.09		1.88	-0.92	0.03	
C	0.97	-0.17	0.04	0.03	0.05	-0.10	0.12	-0.05
K	0.18	-0.07	0.05	0.02	1.88	-0.96	0.10	-0.03

SIMULATION LogLQ - Normal ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.29				-0.02			
K	7.02				0.60			
C	0.77	0.01			0.08	-0.07		
K	-0.13	-0.02			1.93	-0.92		
C	0.71	0.11	-0.03		0.09	-0.09	0.01	
K	-0.58	0.57	-0.04		2.02	-1.10	0.08	
C	0.72	0.18	-0.18	0.07	0.09	-0.11	0.04	-0.02
K	-0.56	0.97	-0.78	0.30	2.02	-1.18	0.25	-0.09

SIMULATION LogLQ - Markov ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.29				-0.02			
K	6.62				0.62			
C	0.90	-0.02			0.06	-0.06		
K	0.26	-0.14			1.89	-0.89		
C	0.90	0.00	-0.02		0.06	-0.06	0.00	
K	0.28	-0.10	-0.06		1.88	-0.89	0.00	
C	0.90	0.03	-0.04	-0.01	0.06	-0.06	0.01	0.00
K	0.27	-0.02	-0.06	-0.10	1.88	-0.91	0.03	-0.01

SIMULATION Coleman ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.48				-0.04			
K	7.66				0.43			
C	0.94	0.05			0.06	-0.06		
K	-0.28	0.31			1.93	-0.93		
C	1.48	-0.55	0.05		-0.04	0.11	-0.07	
K	1.18	-1.41	0.24		1.65	-0.47	-0.19	
C	1.70	-1.54	0.81	0.03	-0.08	0.32	-0.33	0.09
K	2.27	-6.29	3.97	0.15	1.45	0.57	-1.46	0.43

SIMULATION LinLQ - Normal ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.20				-0.01			
K	5.08				0.71			
C	0.89	0.01			0.06	-0.05		
K	-0.06	-0.01			1.94	-0.93		
C	0.89	0.08	-0.07		0.06	-0.06	0.00	
K	0.09	0.05	-0.26		1.90	-0.87	-0.02	
C	0.89	0.08	-0.05	-0.01	0.06	-0.06	0.00	0.00
K	0.09	0.01	-0.16	-0.06	1.90	-0.86	-0.04	0.01

SIMULATION LinLQ - Markov ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.23				-0.01			
K	5.01				0.71			
C	0.93	0.02			0.06	-0.05		
K	0.04	0.05			1.91	-0.92		
C	0.91	0.06	-0.01		0.06	-0.06	0.01	
K	-0.19	0.34	-0.04		1.96	-1.02	0.05	
C	0.90	0.11	-0.05	-0.02	0.06	-0.08	0.03	-0.01
K	-0.20	0.64	-0.25	-0.10	1.97	-1.09	0.17	-0.05

SIMULATION Dynamic Programing ****

CASE 8.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.36				-0.02			
K	7.85				0.55			
C	0.07	0.04			0.20	-0.15		
K	-0.60	0.24			1.99	-0.98		
C	0.03	0.29	0.01		0.21	-0.20	0.03	
K	-0.75	1.11	0.09		2.03	-1.16	0.11	
C	0.04	0.30	-0.10	0.01	0.21	-0.20	0.05	-0.01
K	-0.66	1.25	-0.84	0.08	2.01	-1.18	0.29	-0.11

SIMULATION INGRAM ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.00

SIMULATION MARCET ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION TAUCHEN ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

0.03	
-0.01	0.04

SIMULATION GAGNON ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION LogLQ - Normal ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION LogLQ - Markov ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION Coleman ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION LinLQ - Normal ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.03
```

SIMULATION LinLQ - Markov ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION Dynamic Programing ****

CASE 8.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION INGRAM ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

```
------------ C -----------  ------------ K --------          ****
 1      2      3      4      1      2      3     4           ****
          LAGS                          LAGS            ****
```

C	-0.01				0.00			
K	0.00				0.00			
C	0.19	-0.20			0.48	-0.47		
K	-0.02	0.02			0.96	-0.96		
C	0.46	-0.37	-0.10		-0.12	0.46	-0.34	
K	0.15	-0.19	0.04		0.61	-0.35	-0.26	
C	0.46	-0.15	-0.32	0.01	-0.13	0.06	0.36	-0.29
K	0.17	-0.22	0.00	0.04	0.57	-0.28	-0.28	-0.02
R2	0.15	0.65	0.66	0.67	0.09	0.91	0.91	0.91

SIMULATION MARCET ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.06				0.00			
K	3.01				-0.12			
C	0.12	0.03			-0.03	0.03		
K	0.46	0.09			0.75	-0.77		
C	0.28	-0.15	0.02		-0.09	0.14	-0.05	
K	1.18	-0.70	0.04		0.49	-0.28	-0.24	
C	0.26	-0.25	0.10	0.04	-0.08	0.16	-0.12	0.04
K	1.13	-0.86	0.15	0.12	0.51	-0.25	-0.35	0.06
R2	0.03	0.03	0.03	0.03	0.87	0.87	0.87	0.87

SIMULATION TAUCHEN ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.54				0.03			
K	-0.06				0.00			
C	-0.50	0.13			0.20	-0.18		
K	0.45	-0.12			0.76	-0.78		
C	-0.51	0.14	-0.01		0.19	-0.16	-0.01	
K	0.50	-0.20	0.03		0.82	-0.90	0.06	
C	-0.51	0.05	0.08	0.00	0.19	-0.25	0.18	-0.10
K	0.50	-0.11	-0.06	0.01	0.81	-0.81	-0.11	0.09
R2	0.29	0.34	0.34	0.35	0.00	0.48	0.48	0.48

SIMULATION GAGNON ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.11				0.01			
K	1.18				-0.07			
C	-0.04	-0.15			0.05	-0.04		

K	0.18	-0.05			0.86	-0.87		
C	-0.03	-0.22	0.10		0.04	-0.04	0.00	
K	0.18	-0.10	0.09		0.88	-0.92	0.03	
C	-0.03	-0.18	0.04	0.03	0.05	-0.10	0.12	-0.05
K	0.18	-0.07	0.05	0.02	0.88	-0.96	0.10	-0.03
R2	0.03	0.05	0.06	0.06	0.52	0.87	0.87	0.87

SIMULATION LogLQ - Normal ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.29				-0.02			
K	7.02				-0.40			
C	-0.23	0.01			0.08	-0.07		
K	-0.12	-0.02			0.93	-0.92		
C	-0.29	0.11	-0.03		0.09	-0.09	0.01	
K	-0.58	0.59	-0.04		1.02	-1.11	0.08	
C	-0.28	0.18	-0.18	0.07	0.09	-0.11	0.04	-0.02
K	-0.56	0.97	-0.77	0.30	1.02	-1.18	0.25	-0.08
R2	0.17	0.23	0.23	0.23	0.74	0.82	0.82	0.82

SIMULATION LogLQ - Markov ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.29				-0.02			
K	6.62				-0.38			
C	-0.10	-0.02			0.06	-0.06		
K	0.27	-0.14			0.89	-0.89		
C	-0.10	0.00	-0.02		0.06	-0.06	0.00	
K	0.28	-0.10	-0.06		0.88	-0.89	0.00	
C	-0.10	0.03	-0.04	-0.01	0.06	-0.06	0.01	0.00
K	0.27	-0.02	-0.06	-0.11	0.88	-0.91	0.03	-0.01
R2	0.21	0.27	0.27	0.27	0.75	0.85	0.85	0.85

SIMULATION Coleman ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.48				-0.04			
K	7.66				-0.57			
C	-0.06	0.05			0.06	-0.06		
K	-0.28	0.31			0.93	-0.93		
C	0.49	-0.55	0.05		-0.04	0.11	-0.07	
K	1.20	-1.43	0.24		0.65	-0.46	-0.19	

C	0.71	-1.54	0.81	0.03	-0.08	0.32	-0.33	0.09
K	2.29	-6.30	3.97	0.15	0.44	0.58	-1.46	0.43
R2	0.34	0.36	0.36	0.36	0.79	0.83	0.83	0.83

SIMULATION LinLQ - Normal ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.20				-0.01			
K	5.08				-0.29			
C	-0.11	0.01			0.06	-0.05		
K	-0.07	-0.01			0.94	-0.93		
C	-0.11	0.08	-0.07		0.06	-0.06	0.00	
K	0.09	0.05	-0.26		0.90	-0.87	-0.02	
C	-0.11	0.08	-0.05	-0.01	0.06	-0.06	0.00	0.00
K	0.09	0.01	-0.16	-0.05	0.90	-0.86	-0.04	0.01
R2	0.11	0.28	0.28	0.28	0.50	0.86	0.86	0.86

SIMULATION LinLQ - Markov ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.23				-0.01			
K	5.01				-0.29			
C	-0.07	0.02			0.06	-0.05		
K	0.04	0.05			0.91	-0.92		
C	-0.09	0.06	-0.01		0.06	-0.06	0.01	
K	-0.19	0.34	-0.04		0.96	-1.02	0.05	
C	-0.10	0.11	-0.05	-0.02	0.06	-0.08	0.03	-0.01
K	-0.20	0.64	-0.25	-0.10	0.97	-1.09	0.17	-0.05
R2	0.18	0.23	0.23	0.23	0.74	0.86	0.86	0.86

SIMULATION Dynamic Programing ****

CASE 8.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.36				-0.02			
K	7.85				-0.45			
C	-0.93	0.04			0.20	-0.15		
K	-0.60	0.24			0.99	-0.98		
C	-0.97	0.29	0.01		0.21	-0.20	0.03	
K	-0.75	1.11	0.09		1.03	-1.16	0.11	
C	-0.96	0.30	-0.10	0.01	0.21	-0.20	0.05	-0.01
K	-0.66	1.25	-0.84	0.08	1.01	-1.18	0.29	-0.11

R2	0.27	0.29	0.29	0.29	0.84	0.84	0.85	0.85

SIMULATION INGRAM ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.14	
0.44	1.42

SIMULATION MARCET ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.05	
1.20	29.77

SIMULATION TAUCHEN ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.08	
1.21	31.16

SIMULATION GAGNON ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.05	
0.81	15.77

SIMULATION LogLQ - Normal ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.05

1.21 28.66

SIMULATION LogLQ - Markov ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.04
0.87 20.85

SIMULATION Coleman ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.03
0.55 12.03

SIMULATION LinLQ - Normal ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.04
0.97 23.18

SIMULATION LinLQ - Markov ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.03
0.66 15.75

SIMULATION Dynamic Programing ****

CASE 9.: COVARIANCE MATRICES OF C, AND K

0.03
0.70 17.06

SIMULATION INGRAM ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	0.99	
2.	1.00	1.00	0.99	0.99	
3.	0.99	0.99	0.98	0.99	
4.	0.99	0.99	0.98	0.98	
5.	0.99	0.99	0.98	0.98	
6.	0.98	0.99	0.97	0.98	
7.	0.98	0.98	0.97	0.98	
8.	0.98	0.98	0.96	0.97	
9.	0.97	0.98	0.96	0.97	
10.	0.97	0.97	0.96	0.97	

SIMULATION MARCET ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.98	
2.	1.00	0.99	0.95	0.98	
3.	1.00	0.99	0.95	0.99	
4.	0.99	0.98	0.94	0.99	
5.	0.99	0.98	0.93	0.99	
6.	0.99	0.97	0.92	0.99	
7.	0.98	0.96	0.91	0.99	
8.	0.98	0.95	0.89	0.99	
9.	0.97	0.95	0.88	0.98	
10.	0.96	0.94	0.87	0.98	

SIMULATION TAUCHEN ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.78	0.78	
2.	1.00	0.87	0.78	0.78	
3.	1.00	0.82	0.77	0.78	
4.	0.99	0.78	0.77	0.78	
5.	0.99	0.75	0.76	0.78	
6.	0.99	0.73	0.75	0.78	
7.	0.98	0.72	0.75	0.78	
8.	0.98	0.70	0.74	0.78	
9.	0.98	0.68	0.73	0.78	
10.	0.97	0.67	0.73	0.78	

SIMULATION GAGNON ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.88	0.90	
2.	0.99	0.97	0.86	0.90	
3.	0.98	0.94	0.84	0.90	
4.	0.97	0.91	0.83	0.90	
5.	0.96	0.89	0.82	0.90	
6.	0.95	0.87	0.80	0.90	
7.	0.94	0.86	0.79	0.90	
8.	0.93	0.84	0.78	0.90	

9.	0.91	0.82	0.76	0.89
10.	0.90	0.80	0.75	0.89

SIMULATION LogLQ - Normal ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.97	
2.	1.00	1.00	0.95	0.98	
3.	1.00	0.99	0.94	0.98	
4.	0.99	0.98	0.93	0.98	
5.	0.99	0.98	0.92	0.99	
6.	0.99	0.97	0.91	0.99	
7.	0.98	0.96	0.89	0.99	
8.	0.97	0.95	0.88	0.99	
9.	0.97	0.95	0.87	0.98	
10.	0.96	0.94	0.86	0.98	

SIMULATION LogLQ - Markov ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.97	
2.	1.00	0.99	0.94	0.98	
3.	1.00	0.99	0.93	0.98	
4.	0.99	0.98	0.92	0.98	
5.	0.99	0.97	0.91	0.98	
6.	0.98	0.96	0.90	0.98	
7.	0.97	0.95	0.88	0.98	
8.	0.97	0.94	0.87	0.98	
9.	0.96	0.93	0.86	0.97	
10.	0.95	0.92	0.84	0.97	

SIMULATION Coleman ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.97	
2.	1.00	0.99	0.94	0.98	
3.	0.99	0.98	0.92	0.98	
4.	0.99	0.97	0.91	0.98	
5.	0.98	0.96	0.90	0.98	
6.	0.98	0.95	0.88	0.98	
7.	0.97	0.94	0.87	0.98	
8.	0.96	0.93	0.85	0.98	
9.	0.95	0.91	0.83	0.97	
10.	0.94	0.90	0.82	0.96	

SIMULATION LinLQ - Normal ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.94	0.96	
2.	1.00	0.99	0.93	0.97	
3.	1.00	0.99	0.92	0.98	
4.	0.99	0.98	0.91	0.98	
5.	0.99	0.97	0.89	0.98	
6.	0.99	0.96	0.88	0.98	
7.	0.98	0.95	0.87	0.98	
8.	0.97	0.94	0.85	0.98	
9.	0.97	0.93	0.84	0.98	
10.	0.96	0.92	0.83	0.98	

SIMULATION LinLQ - Markov ****
CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.94	0.96	
2.	1.00	0.99	0.93	0.97	
3.	1.00	0.99	0.92	0.97	
4.	0.99	0.98	0.90	0.98	
5.	0.99	0.97	0.89	0.98	
6.	0.98	0.96	0.88	0.98	
7.	0.98	0.95	0.87	0.98	
8.	0.97	0.94	0.85	0.98	
9.	0.96	0.93	0.84	0.98	
10.	0.96	0.92	0.82	0.98	

SIMULATION Dynamic Programing ****

CASE 9.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.97	
2.	1.00	0.99	0.95	0.98	
3.	1.00	0.99	0.94	0.98	
4.	0.99	0.98	0.92	0.99	
5.	0.99	0.97	0.91	0.99	
6.	0.99	0.96	0.90	0.99	
7.	0.98	0.96	0.89	0.99	
8.	0.98	0.95	0.88	0.99	
9.	0.97	0.94	0.87	0.98	
10.	0.96	0.93	0.85	0.98	

SIMULATION INGRAM ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
1.00				
1.90	-0.90			
1.67	-0.42	-0.26		
1.65	-0.44	-0.15	-0.06	

SIMULATION MARCET ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
1.00				
1.05	-0.05			
1.04	0.01	-0.06		
1.04	0.01	-0.03	-0.03	

SIMULATION TAUCHEN ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.87				
0.62	0.29			
0.59	0.22	0.11		
0.58	0.20	0.06	0.08	

SIMULATION GAGNON ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	**** ****
0.97				
1.07	-0.10			
1.09	-0.25	0.14		
1.08	-0.24	0.10	0.04	

SIMULATION LogLQ - Normal ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	**** ****
1.00				
1.08	-0.09			
1.08	-0.02	-0.06		
1.07	-0.02	-0.03	-0.03	

SIMULATION LogLQ - Markov ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	**** ****
0.99				
1.07	-0.07			
1.06	-0.01	-0.06		
1.06	-0.01	-0.01	-0.05	

SIMULATION Coleman ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	**** ****
0.99				
1.06	-0.06			
1.05	0.00	-0.06		
1.05	0.00	0.00	-0.06	

SIMULATION LinLQ - Normal ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	**** ****
0.99				
1.05	-0.06			
1.05	0.02	-0.08		
1.05	0.02	-0.03	-0.04	

SIMULATION LinLQ - Markov ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				
1	2	3	4	**** ****
0.99				
1.05	-0.05			

1.04	0.01	-0.06	
1.04	0.01	0.00	-0.06

SIMULATION Dynamic Programing ****

CASE 9.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.03	-0.04			
1.03	0.01	-0.04		
1.03	0.01	0.00	-0.05	

SIMULATION INGRAM ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.13	-0.13			
1.12	-0.03	-0.08		
1.11	-0.03	-0.03	-0.05	

SIMULATION MARCET ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.91	-0.88	-0.03		
1.91	-0.89	-0.01	-0.01	

SIMULATION TAUCHEN ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.68	-0.68			
1.56	-0.39	-0.17		
1.57	-0.39	-0.18	0.00	

SIMULATION GAGNON ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
2.00	-1.07	0.07		
2.00	-1.13	0.19	-0.06	

SIMULATION LogLQ - Normal ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.94	-0.95			
1.95	-0.96	0.01		
1.95	-0.97	0.02	-0.01	

SIMULATION LogLQ - Markov ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.93	-0.93			
1.93	-0.94	0.00		
1.93	-0.93	-0.02	0.01	

SIMULATION Coleman ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.93	-0.93			
1.90	-0.87	-0.03		
1.90	-0.88	0.00	-0.01	

SIMULATION LinLQ - Normal ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.94	-0.94			
1.93	-0.92	-0.01		
1.93	-0.93	0.00	0.00	

SIMULATION LinLQ - Markov ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.94	-0.94			
1.94	-0.94	0.00		
1.94	-0.94	0.00	0.00	

SIMULATION Dynamic Programing ****

CASE 9.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				
1	2	3	4	****
1.00				
1.93	-0.93			

				1.91	-0.89	-0.02		
				1.91	-0.90	0.00	-0.01	

SIMULATION INGRAM ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.07				-0.02				
K	0.33				0.90				
C	1.90	-0.90			0.01	-0.01			
K	4.18	-4.17			1.10	-0.10			
C	2.18	-1.49	0.31		0.03	-0.03	0.01		
K	3.12	-1.99	-1.12		1.05	-0.02	-0.03		
C	2.12	-1.13	-0.25	0.26	0.02	-0.02	-0.01	0.00	
K	4.40	-9.58	10.58	-5.39	1.11	-0.34	0.30	-0.08	

SIMULATION MARCET ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	1.06				0.00				
K	3.01				0.88				
C	1.12	0.03			-0.03	0.03			
K	0.46	0.09			1.75	-0.77			
C	1.28	-0.15	0.01		-0.09	0.14	-0.05		
K	1.18	-0.70	0.04		1.50	-0.28	-0.24		
C	1.26	-0.25	0.10	0.05	-0.08	0.16	-0.13	0.04	
K	1.13	-0.87	0.16	0.12	1.51	-0.24	-0.36	0.07	

SIMULATION TAUCHEN ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	0.66				0.01				
K	0.04				1.00				
C	0.63	0.13			0.22	-0.22			
K	0.31	-0.13			1.74	-0.75			
C	0.66	0.09	0.01		0.27	-0.31	0.05		
K	0.31	-0.14	0.01		1.75	-0.76	0.01		
C	0.67	0.01	0.09	-0.01	0.27	-0.40	0.23	-0.10	
K	0.30	-0.07	-0.07	0.01	1.75	-0.68	-0.15	0.09	

SIMULATION GAGNON ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4	****
	LAGS				LAGS				****
C	0.92				0.00				
K	0.62				0.97				

C	1.05	-0.15			0.01	0.00		
K	0.06	-0.03			1.90	-0.90		
C	1.11	-0.29	0.10		-0.08	0.15	-0.07	
K	0.04	-0.05	0.05		1.95	-1.01	0.06	
C	1.11	-0.30	0.12	0.00	-0.08	0.17	-0.11	0.02
K	0.04	-0.04	0.06	-0.02	1.95	-1.04	0.12	-0.03

SIMULATION LogLQ - Normal ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.06				0.00				
K	2.60				0.89				
C	0.98	0.00			0.03	-0.03			
K	0.10	-0.02			1.91	-0.92			
C	0.96	0.01	0.01		0.04	-0.05	0.01		
K	-0.07	0.14	0.03		1.98	-1.05	0.07		
C	0.96	-0.05	0.02	0.05	0.04	-0.02	-0.03	0.02	
K	-0.07	0.03	0.00	0.15	1.98	-1.00	-0.02	0.04	

SIMULATION LogLQ - Markov ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.05				0.00				
K	2.82				0.88				
C	0.94	-0.01			0.04	-0.04			
K	0.05	0.00			1.92	-0.92			
C	0.99	-0.06	0.00		0.02	0.00	-0.02		
K	0.09	-0.04	-0.01		1.90	-0.89	-0.01		
C	1.00	-0.15	0.09	0.00	0.02	0.04	-0.09	0.03	
K	0.11	-0.48	0.43	0.01	1.90	-0.72	-0.34	0.15	

SIMULATION Coleman ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C				K				
	1	2	3	4	1	2	3	4	****
	LAGS				LAGS				****
C	1.06				0.00				
K	2.91				0.87				
C	0.65	0.03			0.14	-0.12			
K	-0.60	0.08			2.12	-1.10			
C	1.32	-0.77	0.02		-0.11	0.38	-0.25		
K	0.76	-1.53	0.05		1.62	-0.09	-0.50		
C	1.43	-1.37	0.59	0.01	-0.15	0.63	-0.65	0.18	
K	0.93	-2.46	0.93	0.02	1.56	0.30	-1.12	0.28	

SIMULATION LinLQ - Normal ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.04				0.00			
K	2.47				0.90			
C	0.89	0.00			0.06	-0.06		
K	-0.06	0.01			1.96	-0.96		
C	0.93	-0.02	-0.02		0.04	-0.02	-0.02	
K	0.11	-0.16	-0.02		1.89	-0.81	-0.07	
C	0.94	0.14	-0.21	0.00	0.04	-0.09	0.13	-0.07
K	0.13	0.20	-0.46	0.02	1.88	-0.96	0.25	-0.16

SIMULATION LinLQ - Markov ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.04				0.00			
K	2.30				0.90			
C	0.95	0.01			0.04	-0.04		
K	0.05	0.01			1.92	-0.92		
C	0.87	0.09	-0.01		0.07	-0.10	0.03	
K	-0.17	0.25	-0.01		2.01	-1.11	0.10	
C	0.87	0.20	-0.10	-0.02	0.07	-0.15	0.13	-0.05
K	-0.18	0.52	-0.24	-0.05	2.02	-1.23	0.32	-0.11

SIMULATION Dynamic Programing ****

CASE 9.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.05				0.00			
K	2.80				0.88			
C	0.68	0.02			0.13	-0.12		
K	-0.10	0.06			1.95	-0.95		
C	0.55	0.20	0.02		0.18	-0.23	0.06	
K	0.05	-0.16	0.02		1.89	-0.82	-0.07	
C	0.54	0.19	0.03	0.01	0.18	-0.23	0.05	0.01
K	0.15	0.10	-0.45	0.03	1.85	-0.89	0.19	-0.15

SIMULATION INGRAM ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

	0.00	
	0.00	0.00

SIMULATION MARCET ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION TAUCHEN ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

0.02	
-0.01	0.03

SIMULATION GAGNON ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION LogLQ - Normal ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION LogLQ - Markov ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION Coleman ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION LinLQ - Normal ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.03
```

SIMULATION LinLQ - Markov ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION Dynamic Programing ****

CASE 9.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION INGRAM ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

```
------------ C -----------  ------------ K --------          ****
 1      2      3      4      1      2      3      4           ****
          LAGS                          LAGS            ****
```

C	0.07				-0.02			
K	0.33				-0.10			
C	0.90	-0.90			0.01	-0.01		
K	4.15	-4.15			0.10	-0.10		
C	1.17	-1.47	0.30		0.03	-0.03	0.01	
K	3.35	-2.52	-0.82		0.06	-0.03	-0.03	
C	1.09	-1.04	-0.34	0.29	0.02	-0.01	-0.01	0.00
K	5.05	-11.41	12.30	-5.94	0.14	-0.41	0.34	-0.08
R2	0.66	0.83	0.83	0.83	0.17	0.21	0.21	0.22

SIMULATION MARCET ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.06				0.00			
K	3.01				-0.12			
C	0.12	0.03			-0.03	0.03		
K	0.46	0.09			0.75	-0.77		
C	0.28	-0.15	0.02		-0.09	0.14	-0.05	
K	1.18	-0.70	0.04		0.50	-0.28	-0.23	
C	0.25	-0.25	0.10	0.04	-0.08	0.16	-0.13	0.04
K	1.12	-0.86	0.15	0.12	0.52	-0.25	-0.36	0.06
R2	0.03	0.03	0.03	0.03	0.87	0.87	0.87	0.87

SIMULATION TAUCHEN ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.34				0.01			
K	0.04				0.00			
C	-0.37	0.13			0.22	-0.22		
K	0.31	-0.13			0.74	-0.75		
C	-0.34	0.09	0.01		0.27	-0.31	0.05	
K	0.31	-0.14	0.01		0.75	-0.76	0.01	
C	-0.33	0.01	0.09	-0.01	0.27	-0.40	0.23	-0.10
K	0.30	-0.07	-0.07	0.01	0.75	-0.68	-0.15	0.09
R2	0.17	0.27	0.27	0.28	0.00	0.51	0.52	0.52

SIMULATION GAGNON ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.08				0.00			
K	0.62				-0.03			
C	0.05	-0.15			0.01	0.00		

K	0.06	-0.03			0.90	-0.90		
C	0.11	-0.28	0.10		-0.08	0.15	-0.07	
K	0.04	-0.05	0.05		0.95	-1.01	0.06	
C	0.11	-0.30	0.12	0.00	-0.08	0.17	-0.11	0.02
K	0.04	-0.04	0.06	-0.02	0.95	-1.04	0.12	-0.03
R2	0.03	0.05	0.06	0.06	0.55	0.86	0.86	0.86

SIMULATION LogLQ - Normal ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.06				0.00			
K	2.60				-0.11			
C	-0.02	0.00			0.03	-0.03		
K	0.10	-0.02			0.91	-0.92		
C	-0.04	0.01	0.01		0.04	-0.05	0.01	
K	-0.07	0.14	0.03		0.98	-1.05	0.07	
C	-0.04	-0.04	0.02	0.05	0.04	-0.03	-0.03	0.02
K	-0.08	0.03	0.01	0.15	0.98	-1.01	-0.01	0.04
R2	0.03	0.03	0.03	0.04	0.84	0.89	0.89	0.89

SIMULATION LogLQ - Markov ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.05				0.00			
K	2.82				-0.12			
C	-0.06	-0.01			0.04	-0.04		
K	0.05	0.00			0.91	-0.92		
C	-0.01	-0.06	-0.01		0.02	0.00	-0.02	
K	0.09	-0.04	-0.01		0.90	-0.89	-0.01	
C	0.00	-0.15	0.09	0.00	0.02	0.03	-0.09	0.03
K	0.11	-0.47	0.44	0.02	0.90	-0.73	-0.33	0.15
R2	0.02	0.03	0.03	0.03	0.84	0.87	0.87	0.87

SIMULATION Coleman ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.06				0.00			
K	2.91				-0.13			
C	-0.35	0.03			0.14	-0.12		
K	-0.59	0.08			1.12	-1.10		
C	0.32	-0.77	0.02		-0.11	0.37	-0.25	
K	0.75	-1.53	0.05		0.63	-0.09	-0.50	

C	0.43	-1.37	0.59	0.01	-0.15	0.63	-0.65	0.18
K	0.92	-2.46	0.93	0.02	0.56	0.30	-1.12	0.28
R2	0.03	0.03	0.04	0.04	0.86	0.86	0.86	0.86

SIMULATION LinLQ - Normal ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.04				0.00			
K	2.47				-0.10			
C	-0.11	0.00			0.06	-0.06		
K	-0.06	0.01			0.96	-0.96		
C	-0.07	-0.02	-0.02		0.04	-0.02	-0.02	
K	0.12	-0.16	-0.02		0.88	-0.81	-0.07	
C	-0.06	0.14	-0.21	0.00	0.04	-0.09	0.13	-0.07
K	0.14	0.19	-0.45	0.02	0.88	-0.96	0.25	-0.16
R2	0.02	0.03	0.03	0.03	0.83	0.88	0.88	0.88

SIMULATION LinLQ - Markov ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.04				0.00			
K	2.30				-0.10			
C	-0.05	0.01			0.04	-0.04		
K	0.05	0.01			0.92	-0.92		
C	-0.13	0.09	-0.01		0.07	-0.10	0.03	
K	-0.17	0.25	-0.01		1.01	-1.11	0.10	
C	-0.13	0.20	-0.10	-0.02	0.07	-0.15	0.13	-0.05
K	-0.18	0.52	-0.24	-0.05	1.02	-1.23	0.32	-0.11
R2	0.02	0.02	0.02	0.02	0.85	0.88	0.88	0.88

SIMULATION Dynamic Programing ****

CASE 9.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.05				0.00			
K	2.80				-0.12			
C	-0.32	0.02			0.13	-0.12		
K	-0.10	0.06			0.95	-0.95		
C	-0.45	0.20	0.02		0.18	-0.23	0.06	
K	0.05	-0.16	0.02		0.89	-0.82	-0.07	
C	-0.46	0.19	0.03	0.01	0.18	-0.23	0.05	0.01
K	0.15	0.10	-0.45	0.03	0.85	-0.88	0.19	-0.15

R2	0.02	0.02	0.02	0.02	0.87	0.87	0.87	0.87

SIMULATION INGRAM ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

```
0.05
1.46   45.25
```

SIMULATION MARCET ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

```
0.05
1.20   29.75
```

SIMULATION TAUCHEN ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

```
0.08
1.66   52.26
```

SIMULATION GAGNON ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

```
0.05
0.80   16.55
```

SIMULATION LogLQ - Normal ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

```
0.09
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2.63 78.27

SIMULATION LogLQ - Markov ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

0.04
1.15 33.49

SIMULATION Coleman ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

0.03
0.73 21.16

SIMULATION LinLQ - Normal ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

0.04
0.94 27.81

SIMULATION LinLQ - Markov ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

0.03
0.78 23.11

SIMULATION Dynamic Programing ****

CASE 10.: COVARIANCE MATRICES OF C, AND K

0.03
0.91 27.67

SIMULATION INGRAM ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.99	0.99	
2.	0.99	0.99	0.98	0.99	
3.	0.99	0.98	0.98	0.98	
4.	0.98	0.98	0.97	0.97	
5.	0.97	0.97	0.96	0.97	
6.	0.97	0.96	0.95	0.96	
7.	0.96	0.95	0.95	0.95	
8.	0.95	0.95	0.94	0.95	
9.	0.95	0.94	0.93	0.94	
10.	0.94	0.93	0.92	0.93	

SIMULATION MARCET ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.96	0.98	
2.	1.00	0.99	0.95	0.98	
3.	1.00	0.99	0.95	0.99	
4.	0.99	0.98	0.94	0.99	
5.	0.99	0.98	0.93	0.99	
6.	0.99	0.97	0.92	0.99	
7.	0.98	0.96	0.91	0.99	
8.	0.98	0.95	0.89	0.99	
9.	0.97	0.95	0.88	0.98	
10.	0.96	0.94	0.87	0.98	

SIMULATION TAUCHEN ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.79	0.79	
2.	1.00	0.88	0.79	0.79	
3.	1.00	0.84	0.78	0.79	
4.	1.00	0.80	0.78	0.79	
5.	0.99	0.77	0.77	0.79	
6.	0.99	0.75	0.77	0.79	
7.	0.99	0.74	0.76	0.79	
8.	0.99	0.73	0.76	0.79	
9.	0.98	0.72	0.75	0.79	
10.	0.98	0.70	0.75	0.79	

SIMULATION GAGNON ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.85	0.87	
2.	0.99	0.97	0.83	0.87	
3.	0.98	0.93	0.82	0.87	
4.	0.97	0.90	0.80	0.87	
5.	0.96	0.88	0.79	0.88	
6.	0.95	0.86	0.77	0.88	
7.	0.94	0.84	0.76	0.88	
8.	0.92	0.82	0.75	0.88	

9.	0.91	0.80	0.73	0.87
10.	0.90	0.78	0.72	0.87

SIMULATION LogLQ - Normal ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.98	0.98
2.	1.00	1.00	0.97	0.99
3.	1.00	0.99	0.97	0.99
4.	1.00	0.99	0.97	0.99
5.	1.00	0.99	0.96	0.99
6.	1.00	0.98	0.96	0.99
7.	0.99	0.98	0.96	0.99
8.	0.99	0.98	0.95	0.99
9.	0.99	0.97	0.95	0.99
10.	0.99	0.97	0.94	0.99

SIMULATION LogLQ - Markov ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.96
2.	1.00	0.99	0.93	0.96
3.	1.00	0.98	0.92	0.96
4.	0.99	0.97	0.91	0.97
5.	0.99	0.96	0.89	0.97
6.	0.98	0.95	0.88	0.97
7.	0.98	0.94	0.87	0.97
8.	0.97	0.93	0.86	0.97
9.	0.97	0.92	0.85	0.96
10.	0.96	0.91	0.84	0.96

SIMULATION Coleman ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.95	0.96
2.	1.00	0.99	0.93	0.97
3.	1.00	0.98	0.92	0.97
4.	0.99	0.98	0.91	0.98
5.	0.99	0.97	0.90	0.98
6.	0.99	0.96	0.89	0.98
7.	0.98	0.95	0.88	0.98
8.	0.97	0.94	0.87	0.98
9.	0.97	0.92	0.85	0.98
10.	0.96	0.91	0.84	0.97

SIMULATION LinLQ - Normal ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC
1.	1.00	1.00	0.94	0.96
2.	1.00	0.99	0.93	0.96
3.	1.00	0.99	0.92	0.97
4.	1.00	0.98	0.91	0.97
5.	0.99	0.97	0.90	0.98
6.	0.99	0.96	0.89	0.98
7.	0.99	0.95	0.88	0.98
8.	0.98	0.94	0.87	0.98
9.	0.98	0.93	0.86	0.98
10.	0.97	0.92	0.85	0.98

SIMULATION LinLQ - Markov ****
CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.92	0.94	
2.	1.00	0.99	0.91	0.95	
3.	1.00	0.98	0.90	0.95	
4.	0.99	0.97	0.89	0.96	
5.	0.99	0.96	0.87	0.96	
6.	0.99	0.95	0.86	0.97	
7.	0.98	0.94	0.85	0.97	
8.	0.98	0.93	0.84	0.97	
9.	0.97	0.92	0.83	0.97	
10.	0.96	0.91	0.81	0.97	

SIMULATION Dynamic Programing ****

CASE 10.: AUTO & CROSS CORRELATION OF C AND K

LAGS	K	C	CK	KC	****
1.	1.00	1.00	0.95	0.96	
2.	1.00	0.99	0.94	0.97	
3.	1.00	0.99	0.93	0.97	
4.	1.00	0.98	0.92	0.98	
5.	0.99	0.97	0.91	0.98	
6.	0.99	0.97	0.90	0.98	
7.	0.99	0.96	0.89	0.98	
8.	0.98	0.95	0.89	0.98	
9.	0.98	0.94	0.88	0.98	
10.	0.97	0.93	0.87	0.98	

SIMULATION INGRAM ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.99				
1.95	-0.95			
2.01	-1.07	0.06		
2.01	-1.04	0.01	0.03	

SIMULATION MARCET ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
1.00				
1.05	-0.05			
1.04	0.01	-0.06		
1.04	0.01	-0.03	-0.03	

SIMULATION TAUCHEN ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

	LAGS			****
1	2	3	4	****
0.88				
0.62	0.29			
0.59	0.23	0.11		
0.58	0.21	0.06	0.08	

SIMULATION GAGNON ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.97				
1.08	-0.11			
1.09	-0.25	0.13		
1.09	-0.24	0.10	0.03	

SIMULATION LogLQ - Normal ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
1.00				
0.99	0.00			
0.99	0.01	-0.01		
0.99	0.01	0.02	-0.03	

SIMULATION LogLQ - Markov ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.01	-0.02			
1.01	0.02	-0.03		
1.01	0.02	-0.02	-0.01	

SIMULATION Coleman ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.02	-0.02			
1.02	0.00	-0.03		
1.02	0.00	0.00	-0.03	

SIMULATION LinLQ - Normal ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.02	-0.02			
1.01	0.03	-0.05		
1.01	0.03	-0.03	-0.02	

SIMULATION LinLQ - Markov ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS				****
1	2	3	4	****
0.99				
1.01	-0.02			

1.01	0.01	-0.03	
1.01	0.01	0.01	-0.04

SIMULATION Dynamic Programing ****

CASE 10.: UNIVARIATE AUTOREG. FOR CONSUMPTION, C

LAGS ****

1	2	3	4	****
0.99				
1.00	0.00			
1.00	0.02	-0.02		
0.99	0.02	-0.01	-0.01	

SIMULATION INGRAM ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
0.99				
1.72	-0.72			
1.48	-0.14	-0.34		
1.42	-0.17	-0.08	-0.17	

SIMULATION MARCET ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.91	-0.88	-0.03		
1.91	-0.89	-0.01	-0.01	

SIMULATION TAUCHEN ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.69	-0.69			
1.55	-0.36	-0.20		
1.56	-0.36	-0.20	0.00	

SIMULATION GAGNON ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS ****

1	2	3	4	****
1.00				
1.93	-0.93			
1.99	-1.05	0.06		
1.99	-1.12	0.20	-0.07	

SIMULATION LogLQ - Normal ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.93	-0.93			
1.92	-0.91	-0.01		
1.92	-0.91	-0.01	0.00	

SIMULATION LogLQ - Markov ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.94	-0.94			
1.94	-0.95	0.01		
1.94	-0.94	-0.01	0.01	

SIMULATION Coleman ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.93	-0.93			
1.91	-0.88	-0.03		
1.91	-0.89	-0.01	-0.01	

SIMULATION LinLQ - Normal ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.94	-0.94			
1.92	-0.90	-0.02		
1.92	-0.90	-0.02	0.00	

SIMULATION LinLQ - Markov ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.94	-0.95			
1.95	-0.95	0.00		
1.95	-0.95	0.00	0.00	

SIMULATION Dynamic Programing ****

CASE 10.: UNIVARIATE AUTOREG. FOR CAPITAL, K

LAGS				****
1	2	3	4	****
1.00				
1.94	-0.94			

				1.92	-0.90	-0.02		
				1.92	-0.91	0.01	-0.01	

SIMULATION INGRAM ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	1.07				0.00				
K	2.96				0.90				
C	1.97	-0.97			0.00	0.00			
K	32.65	-32.10			1.01	-0.02			
C	1.88	-0.71	-0.16		0.00	0.00	0.00		
K	49.54	-76.46	27.29		1.33	-0.32	-0.02		
C	1.83	-0.45	-0.58	0.21	0.00	0.01	0.00	0.00	
K	49.51	-73.47	19.78	4.49	1.33	-0.27	-0.08	0.00	

SIMULATION MARCET ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	1.06				0.00				
K	3.01				0.88				
C	1.12	0.03			-0.03	0.03			
K	0.46	0.09			1.75	-0.77			
C	1.28	-0.15	0.01		-0.09	0.13	-0.05		
K	1.17	-0.70	0.04		1.50	-0.29	-0.23		
C	1.25	-0.25	0.10	0.05	-0.08	0.16	-0.12	0.04	
K	1.12	-0.86	0.15	0.12	1.52	-0.25	-0.36	0.06	

SIMULATION TAUCHEN ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	0.68				0.01				
K	0.07				1.00				
C	0.63	0.14			0.22	-0.21			
K	0.32	-0.14			1.75	-0.76			
C	0.69	0.07	0.01		0.28	-0.35	0.08		
K	0.29	-0.12	0.00		1.73	-0.70	-0.03		
C	0.69	-0.04	0.13	-0.02	0.29	-0.48	0.33	-0.14	
K	0.29	-0.02	-0.11	0.02	1.72	-0.59	-0.25	0.12	

SIMULATION GAGNON ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C				K				**** ****
	1	2	3	4	1	2	3	4	
	LAGS				LAGS				****
C	0.93				0.00				
K	0.50				0.98				

C	1.06	-0.15			-0.01	0.01		
K	0.03	-0.02			1.92	-0.92		
C	1.12	-0.28	0.10		-0.08	0.16	-0.07	
K	0.00	-0.03	0.05		1.98	-1.05	0.07	
C	1.11	-0.29	0.11	-0.01	-0.09	0.18	-0.11	0.02
K	0.00	-0.01	0.05	-0.02	1.99	-1.10	0.16	-0.04

SIMULATION LogLQ - Normal ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.01				0.00			
K	2.39				0.92			
C	0.92	0.03			0.03	-0.03		
K	-0.01	0.04			1.92	-0.92		
C	0.87	0.07	0.02		0.05	-0.07	0.02	
K	-0.10	0.11	0.03		1.96	-1.00	0.04	
C	0.87	-0.03	0.14	-0.01	0.05	-0.03	-0.07	0.05
K	-0.11	-0.20	0.38	-0.02	1.97	-0.87	-0.23	0.13

SIMULATION LogLQ - Markov ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.01				0.00			
K	2.21				0.92			
C	0.92	0.01			0.04	-0.04		
K	0.01	0.00			1.93	-0.93		
C	0.84	0.11	-0.01		0.08	-0.12	0.04	
K	-0.23	0.30	-0.02		2.05	-1.17	0.12	
C	0.84	0.13	-0.04	0.01	0.08	-0.12	0.06	-0.01
K	-0.24	0.36	-0.09	0.00	2.05	-1.20	0.18	-0.03

SIMULATION Coleman ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.03				0.00			
K	2.75				0.90			
C	0.75	0.02			0.10	-0.09		
K	-0.37	0.07			2.05	-1.04		
C	1.23	-0.54	0.02		-0.09	0.28	-0.19	
K	0.42	-0.86	0.04		1.75	-0.43	-0.31	
C	1.33	-1.04	0.49	0.00	-0.12	0.50	-0.54	0.16
K	0.55	-1.51	0.64	0.01	1.71	-0.14	-0.76	0.21

SIMULATION LinLQ - Normal ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.02				0.00			
K	2.44				0.92			
C	0.92	0.01			0.04	-0.04		
K	0.01	0.03			1.92	-0.92		
C	0.96	-0.01	-0.02		0.02	0.00	-0.02	
K	0.15	-0.10	-0.03		1.86	-0.80	-0.06	
C	0.96	0.14	-0.19	0.00	0.02	-0.06	0.11	-0.07
K	0.16	0.20	-0.38	0.01	1.86	-0.92	0.19	-0.13

SIMULATION LinLQ - Markov ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.01				0.00			
K	1.99				0.93			
C	0.94	0.01			0.03	-0.03		
K	0.03	0.00			1.93	-0.93		
C	0.86	0.11	-0.01		0.07	-0.12	0.04	
K	-0.18	0.24	-0.01		2.04	-1.14	0.11	
C	0.85	0.22	-0.11	-0.02	0.08	-0.18	0.16	-0.06
K	-0.19	0.48	-0.22	-0.04	2.04	-1.27	0.34	-0.11

SIMULATION Dynamic Programing ****

CASE 10.: BIVARIATE AUTOREG. FOR C & K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	1.02				0.00			
K	2.46				0.92			
C	0.68	0.03			0.13	-0.12		
K	-0.45	0.06			2.10	-1.09		
C	0.15	0.64	0.01		0.35	-0.59	0.24	
K	-1.05	0.73	0.02		2.35	-1.61	0.27	
C	0.20	0.73	-0.17	0.01	0.33	-0.60	0.35	-0.07
K	-0.85	1.06	-0.59	0.02	2.27	-1.68	0.65	-0.23

SIMULATION INGRAM ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.01

SIMULATION MARCET ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION TAUCHEN ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

0.02	
-0.01	0.04

SIMULATION GAGNON ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.02

SIMULATION LogLQ - Normal ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION LogLQ - Markov ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

0.00	
0.00	0.03

SIMULATION Coleman ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION LinLQ - Normal ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.03
```

SIMULATION LinLQ - Markov ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION Dynamic Programing ****

CASE 10.: COV. MATRICES OF FIRST DIFF IN C AND K

```
0.00
0.00    0.02
```

SIMULATION INGRAM ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

```
------------ C -----------  ------------ K --------          ****
 1      2      3      4      1      2      3      4           ****
          LAGS                          LAGS            ****
```

C	0.07				0.00			
K	3.06				-0.11			
C	0.97	-0.97			0.00	0.00		
K	32.66	-32.11			0.01	-0.02		
C	0.86	-0.66	-0.19		0.00	0.00	0.00	
K	50.16	-78.04	28.22		0.34	-0.33	-0.02	
C	0.87	-0.55	-0.55	0.23	0.00	0.01	0.00	0.00
K	49.22	-72.81	19.53	4.37	0.32	-0.26	-0.07	0.00
R2	0.46	0.95	0.95	0.95	0.37	0.89	0.89	0.89

SIMULATION MARCET ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.06				0.00			
K	3.01				-0.12			
C	0.12	0.03			-0.03	0.03		
K	0.46	0.09			0.75	-0.77		
C	0.28	-0.15	0.01		-0.09	0.13	-0.05	
K	1.17	-0.70	0.04		0.50	-0.29	-0.23	
C	0.25	-0.25	0.10	0.04	-0.08	0.16	-0.12	0.04
K	1.12	-0.85	0.15	0.12	0.52	-0.25	-0.35	0.06
R2	0.03	0.03	0.03	0.03	0.87	0.87	0.87	0.87

SIMULATION TAUCHEN ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.32				0.01			
K	0.07				0.00			
C	-0.37	0.14			0.22	-0.21		
K	0.32	-0.14			0.75	-0.76		
C	-0.31	0.07	0.01		0.28	-0.35	0.08	
K	0.29	-0.12	0.00		0.73	-0.70	-0.03	
C	-0.31	-0.04	0.13	-0.02	0.29	-0.48	0.33	-0.13
K	0.29	-0.02	-0.11	0.02	0.72	-0.59	-0.25	0.12
R2	0.16	0.27	0.27	0.27	0.00	0.53	0.53	0.53

SIMULATION GAGNON ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	-0.07				0.00			
K	0.50				-0.02			
C	0.06	-0.15			0.00	0.01		

K	0.03	-0.02			0.92	-0.92		
C	0.11	-0.28	0.10		-0.08	0.16	-0.07	
K	0.00	-0.03	0.05		0.98	-1.05	0.07	
C	0.11	-0.29	0.12	-0.01	-0.09	0.18	-0.11	0.02
K	0.00	-0.01	0.05	-0.02	0.99	-1.10	0.16	-0.04
R2	0.03	0.05	0.06	0.06	0.51	0.86	0.86	0.86

SIMULATION LogLQ - Normal ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.01				0.00			
K	2.39				-0.08			
C	-0.08	0.03			0.03	-0.03		
K	-0.01	0.04			0.92	-0.92		
C	-0.13	0.07	0.02		0.05	-0.07	0.02	
K	-0.10	0.11	0.03		0.96	-1.00	0.04	
C	-0.14	-0.03	0.14	-0.01	0.05	-0.03	-0.07	0.05
K	-0.11	-0.20	0.38	-0.02	0.97	-0.87	-0.23	0.13
R2	0.00	0.01	0.01	0.01	0.80	0.87	0.87	0.87

SIMULATION LogLQ - Markov ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.01				0.00			
K	2.21				-0.08			
C	-0.08	0.01			0.04	-0.04		
K	0.02	0.00			0.93	-0.93		
C	-0.16	0.11	-0.01		0.08	-0.12	0.04	
K	-0.23	0.30	-0.02		1.05	-1.17	0.12	
C	-0.16	0.13	-0.04	0.01	0.08	-0.12	0.06	-0.01
K	-0.24	0.36	-0.09	0.00	1.05	-1.20	0.18	-0.03
R2	0.01	0.01	0.01	0.01	0.84	0.88	0.88	0.88

SIMULATION Coleman ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.03				0.00			
K	2.75				-0.10			
C	-0.25	0.02			0.10	-0.09		
K	-0.37	0.07			1.05	-1.04		
C	0.23	-0.54	0.02		-0.08	0.28	-0.19	
K	0.42	-0.86	0.04		0.75	-0.43	-0.31	

C	0.33	-1.04	0.49	0.00	-0.12	0.50	-0.53	0.16
K	0.54	-1.51	0.64	0.01	0.71	-0.15	-0.76	0.21
R2	0.01	0.01	0.02	0.02	0.87	0.87	0.87	0.87

SIMULATION LinLQ - Normal ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.02				0.00			
K	2.44				-0.08			
C	-0.08	0.01			0.04	-0.04		
K	0.00	0.03			0.92	-0.92		
C	-0.04	-0.01	-0.02		0.02	0.00	-0.02	
K	0.15	-0.10	-0.03		0.86	-0.80	-0.06	
C	-0.04	0.14	-0.19	0.00	0.02	-0.06	0.11	-0.07
K	0.16	0.20	-0.38	0.01	0.86	-0.92	0.19	-0.13
R2	0.01	0.01	0.01	0.01	0.83	0.88	0.88	0.88

SIMULATION LinLQ - Markov ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.01				0.00			
K	1.99				-0.07			
C	-0.06	0.01			0.03	-0.03		
K	0.03	0.00			0.93	-0.93		
C	-0.14	0.11	-0.01		0.07	-0.12	0.04	
K	-0.18	0.24	-0.01		1.04	-1.14	0.11	
C	-0.15	0.22	-0.11	-0.02	0.08	-0.18	0.16	-0.06
K	-0.19	0.48	-0.22	-0.04	1.04	-1.27	0.34	-0.11
R2	0.01	0.01	0.01	0.01	0.87	0.89	0.89	0.89

SIMULATION Dynamic Programing ****

CASE 10.: REGR. FIRST DIFF. IN C,K ON PAST C,K

	C 1	C 2	C 3	C 4	K 1	K 2	K 3	K 4
	LAGS				LAGS			
C	0.02				0.00			
K	2.46				-0.08			
C	-0.32	0.03			0.13	-0.12		
K	-0.45	0.06			1.10	-1.09		
C	-0.85	0.64	0.01		0.35	-0.59	0.24	
K	-1.05	0.73	0.02		1.35	-1.61	0.27	
C	-0.80	0.73	-0.17	0.01	0.33	-0.60	0.35	-0.07
K	-0.85	1.06	-0.59	0.02	1.27	-1.68	0.65	-0.23

R2	0.01	0.01	0.02	0.02	0.87	0.88	0.88	0.88