ECONOMICS 6002 CLASS 18
DYNAMIC ECONOMETRIC MODELS

1.   Distributed Lag structures
      a.   Polynomial (Almon) Distributed Lags
      b.   Geometric (Koyck) Distributed Lags
            i.   Partial Adjustment Models
            ii.   Adaptive Expectations Models
      c.   Autoregressive (Rational) Distributed Lags

2.   Lagged Dependent Variable Models: Statistical Properties
      a.   A lagged dependent variable is neither fully exogenous, nor fully endogenous. It is generally called *predetermined*.
      b.   OLS is consistent, but biased in small samples, if disturbance is serially independent
            i.   The bias is weak, and OLS is usually the estimator of choice
      c.   OLS is inconsistent if disturbance is autocorrelated

3.   Lag Length specification
      a.   Simple-to general vs general-to-simple
      b.   Hypothesis testing vs model selection criteria