

Raw simulation data for Table 1 results is generated by Eviews program dif_por02.prg displayed below, which first creates a working file called por10t10 in which the data is generated.

Then program results02.prg creates a table showing fitting and tests of restrictions, also displayed below.

program dif_por02

Program dif_por02.prg Note that for use in Eviews must copy as unformatted text only.:

```
"program dif_por02
"uses traditional Miller-Orr open interval
"fixed missing mtos June 1, 2006
"for looking at portion of transfers as function of M -LRD
"July 5, 2006

For %z %week 10 10

WFCreat(wf=por{%z}t{%week}) u 10000
matrix(10000,2) allM
!z = {%z}
!H = 3*!z
!PZ = 2/(!H)
!slope1 = !PZ/(!z)
!slope2 = !PZ/((2*!z))
genr set1 = !z
genr set2 = !z

!smplstart = 0
!smplend = 0
For !x = 1 to !z ""initialize through Z
!smplstart = !smplend + 1
!smplend = !smplstart + @floor( (!x)*!slope1*10000 ) - 1
smpl !smplstart !smplend
genr set1 = !x
genr set2 = !x
Next
"still using above !smplstart and end

For !x = !z+1 to !H-1 ""initialize through H
!smplstart = !smplend + 1
!smplend = !smplstart + @floor( (!PZ - (!x-!z)*!slope2)*10000 ) - 1
smpl !smplstart !smplend
genr set1 = !x
genr set2 = !x
Next

smpl 1 10000
""now begin to shuffle, pair, assign net, record number of adjustments andadjust to targets, sum
""will want to see if number of adjustments correlated with sum being high or low.
For !ini = 1 to 1000 ""simulate a bunch of rounds to initialize
stom(set1,vec1)
stom(set2,vec2) ""converted series to vectors
colplace(allM,vec1,1) ""place vectors in a matrix
colplace(allM,vec2,2)
vector allV = @vec(allM) ""collapse to one big vector 20,000 elements
allV = @permute(allV) ""resort randomly
vec1 = @subextract(allV,1,1,10000,1) ""place first half of bigV back into vec1
vec2 = @subextract(allV,10001,1,20000,1) ""place second half of bigV back into vec2
mtos(vec1,set1) ""now put randomized vector back into series
mtos(vec2,set2)

genr trans = na ""series for random net receipts
```


program dif_por02

```
!triggerH = !triggerH + @obs(set1)
genr set1 = !z
smpl 1 10000

smpl if set2 <=0  ""reallocat e if breac h interval
!trigger0 = !trigger0 + @obs(set2)
genr set2 = !z
smpl 1 10000
smpl if set2 >= !H
!triggerH = !triggerH + @obs(set2)
genr set2 = !z
smpl 1 10000
!sumn = 0
Next "" For !week = 1 to
smpl !round !round
genr porTrigger = (!trigger0 +!triggerH)/20000
genr porTrigger0 = !trigger0/20000
genr porTriggerH = !triggerH/20000
!trigger0 = 0
!triggerH = 0
smpl 1 10000
!sumn = @sum(set1) +@sum(set2)
smpl !round !round
genr total = !sumn
smpl 1 10000

Next ""For !round= 1 to

smpl 1 10000
wfsave por{%z}t{%week}
close por{%z}t{%week}
Next
```

program Results02

Eviews program Results02.prg:

```
"program results02
"generates equations for data from program dif_por02
"creates table of test of Restrict{%z}t{%week}ions

For %z %week 10 10
open por{%z}t{%week}      ""open the Eviews working file
Table(6,6) Restrict{%z}t{%week}
Restrict{%z}t{%week}(1,1) = "model"
Restrict{%z}t{%week}(1,2) = "Fstat dif"
Restrict{%z}t{%week}(1,3) = "P-val"
Restrict{%z}t{%week}(1,4) = "R2"
Restrict{%z}t{%week}(1,5) = "sumRRlin/SumR"
Restrict{%z}t{%week}(1,6) = "b(m)"
Restrict{%z}t{%week}(2,1) = "smooth01"
Restrict{%z}t{%week}(3,1) = "smooth02"
Restrict{%z}t{%week}(4,1) = "linsq"
Restrict{%z}t{%week}(5,1) = "linabs"

Restrict{%z}t{%week}(6,1) = " "
Restrict{%z}t{%week}(6,2) = " "
Restrict{%z}t{%week}(6,3) = " "
Restrict{%z}t{%week}(6,4) = " "

smpl 2 1000  ""needs to be same sample as other regressions
ls total = c(1)*total(-1) +c(2)
Restrict{%z}t{%week}(2,6) = c(1)
smpl 1 1000
!mean = 20000*%z*4/3
genr dif = (total -!mean)
genr sqdif = (total -!mean)^2
genr absdif = @abs(total -!mean)
smpl 2 1000
genr scale = 1/@stdev(dif)
.....

param 1 0.05
ls porttrigger = c(1)
!cpor = c(1)
!sumR = @ssr
genr const_ssr = !sumR

param 1 !cpor 2 0.01 3 1 4 0
Equation smooth01.ls(m=10000,c=0.0000001,s) porttrigger= C(1) +C(2)*(EXP((-c(3)*(((scale)*DIF(-1) -
C(4) )^2) )))
coef(751) smooth01_c = c
!nk = smooth01.@regobs -4
!sum = smooth01.@ssr
genr smooth1_ssr = !sum

!FF = (!nk)*(!sumR -!sum)/(!sum*3)
genr ff = !ff
!pval = 1- @cdfist(!FF,3,!nk)
Restrict{%z}t{%week}(2,2) = !FF
Restrict{%z}t{%week}(2,3) = !pval
```

program Results02

```
param 1 !cpor 2 0.01 3 1 4 0
Equation smooth02.ls(m=10000,c=0.0000001,s) porttrigger= C(1) +C(2)*( 1/(1+EXP(-c(3)*(scale)*(DIF(-
1) -C(4)) )) )
```

```
coef(751) smooth02_c = c
!nk = smooth02.@regobs -4
!sum = smooth02.@ssr
```

```
!FF = (!nk)*(!sumR -!sum)/(!sum*3)
!pval = 1- @cfdist(!FF,3,!nk)
Restrict{%z}t{%week}(3,2) = !FF
Restrict{%z}t{%week}(3,3) = !pval
```

```
param 1 !cpor 2 0
Equation linsq.ls(m=5000,c=0.0000001) porttrigger= C(1) +c(2)*scale*sqdif(-1)
!nk = linsq.@regobs -2
genr nk_linsq = !nk
!sum = linsq.@ssr
genr ssr_linsq = !sum
```

```
!FF = (!nk)*(!sumR -!sum)/!sum
!pval = 1- @cfdist(!FF,1,!nk)
Restrict{%z}t{%week}(4,2) = !FF
Restrict{%z}t{%week}(4,3) = !pval
```

```
Equation linabs.ls(m=5000,c=0.0000001) porttrigger= C(1) +c(2)*scale*absdif(-1)
!nk = linabs.@regobs -2
!sum = linabs.@ssr
```

```
!FF = (!nk)*(!sumR -!sum)/!sum
!pval = 1- @cfdist(!FF,1,!nk)
Restrict{%z}t{%week}(5,2) = !FF
Restrict{%z}t{%week}(5,3) = !pval
```

```
smpl 2 1000
Restrict{%z}t{%week}(2,4) = smooth01.@r2
Restrict{%z}t{%week}(2,5) = !sumR/smooth01.@ssr
```

```
Restrict{%z}t{%week}(3,4) = smooth02.@r2
Restrict{%z}t{%week}(3,5) = !sumR/smooth02.@ssr
```

```
Restrict{%z}t{%week}(4,4) = linsq.@r2
Restrict{%z}t{%week}(4,5) = !sumR/linsq.@ssr
```

```
Restrict{%z}t{%week}(5,4) = linabs.@r2
Restrict{%z}t{%week}(5,5) = !sumR/linabs.@ssr
```

```
wfsave por{%z}t{%week}
close por{%z}t{%week}
```

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