5th set of assignments Financial Econometrics- solutions

5.1 using avewret

System: CAPM
Estimation Method: Generalized Method of Moments
Date: 06/21/05 Time: 17:11
Sample: 1947:2 1993:4
Included observations: 187
Total system (balanced) observations 1870
Kernel: Bartlett, Bandwidth: Fixed (4), No prewhitening
Identity weighting matrix - 2SLS coefficients with GMM standard errors

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	1.067309	0.056669	18.83400	0.0000
C(2)	-3.211099	1.694037	-1.895531	0.0582
Determinant residual covariance		9.79E-35		
J-statistic		0.011896		

J-Statistics: (for calculation: see assignment sheet)
jval = 2.2245
pval = 0.9733

5.1 using avvwret

System: CAPM2
Estimation Method: Generalized Method of Moments
Date: 06/21/05 Time: 17:29
Sample: 1947:2 1993:4
Included observations: 187
Total system (balanced) observations 1870
Kernel: Bartlett, Bandwidth: Fixed (4), No prewhitening
Identity weighting matrix - 2SLS coefficients with GMM standard errors

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	1.132061	0.088452	12.79854	0.0000
C(2)	-6.997747	3.561610	-1.964771	0.0496
Determinant residual covariance		1.38E-33		
J-statistic		0.010975		

J-Statistics:
jval2 = 2.0523
pval2 = 0.9794

5.2 using avewret

System: CAPM_EX
Estimation Method: Generalized Method of Moments
Date: 06/21/05 Time: 17:33
Sample: 1947:2 1993:4
Included observations: 187
Total system (balanced) observations 1870
Kernel: Bartlett, Bandwidth: Fixed (4), No prewhitening
Identity weighting matrix - 2SLS coefficients with GMM standard errors

	Coefficient	Std. Error	t-Statistic	Prob.
C(2)	-3.635131	0.800801	-4.539369	0.0000

Determinant residual covariance	2.03E-36
J-statistic	0.013363

J-Statistics:
jval_ex = 2.4988
pval_ex = 0.9809

5.2 using avvwret

System: CAPM_EX2
Estimation Method: Generalized Method of Moments
Date: 06/21/05 Time: 17:34
Sample: 1947:2 1993:4
Included observations: 187
Total system (balanced) observations 1870
Kernel: Bartlett, Bandwidth: Fixed (4), No prewhitening
Identity weighting matrix - 2SLS coefficients with GMM standard errors

	Coefficient	Std. Error	t-Statistic	Prob.
C(2)	-4.924601	1.082375	-4.549809	0.0000

Determinant residual covariance	2.49E-36
J-statistic	0.013145

J-Statistics:
jval_ex2 = 2.4581
pval_ex2 = 0.9820

5.3 using avewret

System: FAMA_FRENCH
Estimation Method: Generalized Method of Moments
Date: 06/21/05 Time: 17:53
Sample: 1947:2 1993:4
Included observations: 187
Total system (balanced) observations 1870
Kernel: Bartlett, Bandwidth: Fixed (4), No prewhitening
Identity weighting matrix - 2SLS coefficients with GMM standard errors

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	0.631875	0.357282	1.768560	0.0771
C(2)	-0.257423	0.393292	-0.654534	0.5128
C(3)	-0.853027	0.416109	-2.050007	0.0405

Determinant residual covariance	4.57E-64
J-statistic	0.017830

J-Statistics:
jval_fafr = 3.3343
pval_fafr = 0.8525

Wald Test:
System: FAMA_FRENCH

Test Statistic	Value	df	Probability
Chi-square	9.944229	2	0.0069

5.3 using avvwret

System: FAMA_FRENCH2
Estimation Method: Generalized Method of Moments
Date: 06/21/05 Time: 17:53
Sample: 1947:2 1993:4
Included observations: 187
Total system (balanced) observations 1870
Kernel: Bartlett, Bandwidth: Fixed (4), No prewhitening
Identity weighting matrix - 2SLS coefficients with GMM standard errors

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	-0.542606	0.493584	-1.099319	0.2718
C(2)	-0.776924	0.448708	-1.731467	0.0835
C(3)	-0.101936	0.447192	-0.227947	0.8197

Determinant residual covariance	3.05E-60
J-statistic	0.012763

J-Statistics:
jval_fafr2 = 2.3868
pval_fafr2 = 0.9354

Wald Test:
System: FAMA_FRENCH2

Test Statistic	Value	df	Probability
Chi-square	1855.244	3	0.0000