THE TJALLING C. KOOPMANS ECONOMETRIC THEORY PRIZE: 1994–1996

Econometric Theory is proud to announce the winning article for the Tjalling C. Koopmans Econometric Theory Prize over the period 1994–1996 (inclusive). The prize is jointly supported by the publishers, Cambridge University Press, and Mrs. Truus Koopmans. It is named in honor of Tjalling C. Koopmans, the 1975 Nobel Laureate in Economic Science. The selection of the winning article was made by the Advisory Board of the Journal, and all articles published in *Econometric Theory* (1994–1996) were candidates for the prize, except those that were authored or coauthored by the Editor and members of the Advisory Board. The prize is accompanied by a financial award of $500 to each of the winning authors.

The winning article and citation (written by the Advisory Board) are as follows:

Richard A. Davis and William T.M. Dunsmuir, "Maximum Likelihood Estimation for MA(1) Processes with a Root on or Near the Unit Circle," *Econometric Theory*, Vol. 12, 1996, pages 1–29.

The paper solves one of the last open questions in the asymptotic theory of likelihood estimation for ARMA models, concerning the properties of estimates of parameter estimates for MA(1) models on and near the unit circle. The results are both of theoretical and of practical interest, as it is found, for example, that estimates are surprisingly accurate even for small sample sizes.

Because of the quality of the theoretical analysis, the importance of the question considered, and the practical relevance of the results, it is thought that this paper deserves the Koopmans Prize.

Mrs. Truus Koopmans and Cambridge University Press join me in congratulating the authors on their success in receiving this award.

Peter C.B. Phillips
New Haven, Connecticut
February 11, 1998

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