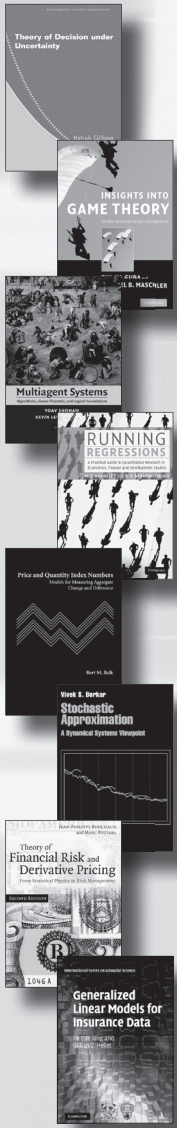
CAMBRIDGE

Outstanding Titles from Cambridge



Theory of Decision under Uncertainty
Itzhak Gilboa
Econometric Society Monographs
$85.00: Hb: 978-0-521-51732-4: 224 pp.
$29.99: Pb: 978-0-521-74123-1

Insights into Game Theory
An Alternative Mathematical Experience
Ein-Ya Gura and Michael Maschler
$80.00: Hb: 978-0-521-87422-9: 250 pp.
$29.99: Pb: 978-0-521-69692-0

Multiagent Systems
Algorithmic, Game-Theoretic, and Logical Foundations
Yoav Shoham and Kevin Leyton-Brown
$60.00: Hb: 978-0-521-89943-7: 504 pp.

Running Regressions
A Practical Guide to Quantitative Research in Economics, Finance and Development Studies
Michelle C. Baddeley and Diana V. Barrowclough
$115.00: Hb: 978-0-521-84211-2: 320 pp.
$45.00: Pb: 978-0-521-60308-9

Price and Quantity Index Numbers
Models for Measuring Aggregate Change and Difference
Bert M. Balk
$85.00: Hb: 978-0-521-88907-0: 300 pp.

Stochastic Approximation
A Dynamical Systems Viewpoint
Vivek S. Borkar
$70.00: Hb: 978-0-521-51592-4: 176 pp.

Now in Paperback!

2nd Edition

Theory of Financial Risk and Derivative Pricing
From Statistical Physics to Risk Management
Jean-Philippe Bouchaud and Marc Potters
$58.00: Pb: 978-0-521-74186-6: 400 pp.

Generalized Linear Models for Insurance Data
Piet de Jong and Gillian Z. Heller
International Series on Actuarial Science
$70.00: Hb: 978-0-521-87914-9: 206 pp.

Prices subject to change.

www.cambridge.org/us

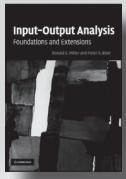
CAMBRIDGE UNIVERSITY PRESS

1584 · 2009
425 YEARS OF CAMBRIDGE PRINTING AND PUBLISHING

https://doi.org/10.1017/S0266466609253023 Published online by Cambridge University Press

CAMBRIDGE

Outstanding Titles from Cambridge

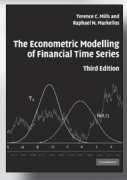


Input-Output Analysis
2nd Edition

Foundations and Extensions

Ronald E. Miller and Peter D. Blair

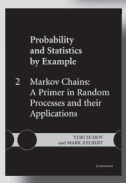
$150.00: Hb: 978-0-521-51713-3: 800 pp.
$75.00: Pb: 978-0-521-73902-3



The Econometric Modelling of Financial Time Series
3rd Edition

Terence C. Mills and Raphael N. Markellos

$130.00: Hb: 978-0-521-88381-8: 468 pp.
$48.00: Pb: 978-0-521-71009-1

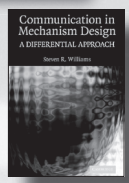


Probability and Statistics by Example

Volume 2: Markov Chains: A Primer in Random Processes and their Applications

Yuri Suhov and Mark Kelbert

$140.00: Hb: 978-0-521-84767-4: 498 pp.
$60.00: Pb: 978-0-521-61234-0



Communication in Mechanism Design

A Differential Approach

Steven R. Williams

$75.00: Hb: 978-0-521-85131-2: 216 pp.

Cambridge Series in Statistical and Probabilistic Mathematics

Model Selection and Model Averaging

Gerda Claeskens and Nils Lid Hjort

$70.00: Hb: 978-0-521-85225-8: 320 pp.

Design of Comparative Experiments

R. A. Bailey

$130.00: Hb: 978-0-521-86506-7: 348 pp.
$52.00: Pb: 978-0-521-68357-9

Now in Paperback!

Statistical Models

A. C. Davison

$50.00: Pb: 978-0-521-73449-3: 736 pp.

Symmetry Studies

An Introduction to the Analysis of Structured Data in Applications

Marlos A. G. Viana

$60.00: Hb: 978-0-521-84103-0: 248 pp.

Introductory Econometrics for Finance
2nd Edition

Chris Brooks

$160.00: Hb: 978-0-521-87306-2: 674 pp.
$65.00: Pb: 978-0-521-69468-1

RATS Handbook to Accompany Introductory Econometrics for Finance

Chris Brooks

$99.00: Hb: 978-0-521-89695-5: 214 pp.
$39.99: Pb: 978-0-521-72168-4



Prices subject to change.

www.cambridge.org/us

CAMBRIDGE UNIVERSITY PRESS

1584 • 2009
425 YEARS OF CAMBRIDGE PRINTING AND PUBLISHING

https://doi.org/10.1017/S0266466609253023 Published online by Cambridge University Press

ECONOMETRIC THEORY

Notes for Contributors

Contributions. Contributions are welcomed from all countries. They should be written in English.

Manuscripts. Manuscripts should be submitted by e-mail to:

Peter C.B. Phillips
Editor, *Econometric Theory*
Cowles Foundation for Research
in Economics
Yale University
P.O. Box 208281
New Haven, CT 06520-8281, USA
E-mail: econometric.theory@yale.edu

All submissions should be made electronically to econometric.theory@yale.edu.

Electronic submissions may be made directly to the above e-mail address. These should be in PDF format with all fonts (and graphics) embedded and should be accompanied by a letter of submission.

Manuscripts are accepted for review on the understanding that the same work has not been and will not be published nor is presently submitted elsewhere. While under editorial review, it is the responsibility of the authors to keep the Editor informed about submissions, publication plans, and actual publication of related research or abstracts thereof in other outlets, including letters, journals, review publications, journals in other disciplines, conference proceedings, and published dissertations. It is further understood that all persons listed as authors have given their approval for the submission of the article and that any person cited as a source of personal communication has approved such citation; written authorization may be required at the Editor's discretion. Authors are responsible for obtaining written permission to publish material for which they do not own the copyright. Articles and other material published in *Econometric Theory* represent the opinions of the authors and should not be construed to reflect the opinions of the Editor, Advisory Board, Editorial Board, or the Publisher.

Notes and Problems (NP). Each article in the NP series is a self-contained complete publication of a worked exercise or a research-level problem. Readers are invited to contribute different solutions for the problem, to be published one year later, again as a self-contained note. Proposed additional solutions will be selected on the basis of the correctness, conciseness, generality, elegance, and diversity of methods employed. Notes outlining interesting unsolved problems are welcome. All NP articles are refereed.

Submissions are only electronic; please submit articles intended for the NP Series to ET's NP Co-editor, Paolo Paruolo, at:

et@eco.uninsubria.it

NP articles should have a clear title, the author(s) name and affiliation(s), an abstract, and numbered sections that follow the suggested format: "Motivation and Results," "Proofs and Discussion," and "References." Additional material may be placed in a technical appendix. Following publication of an NP article, comments and alternative solutions may be submitted and should be self-contained (only a brief outline of the problem is necessary). Submission of all articles intended for the NP series should include both a PDF file and all the source files derived from any TeX program (LaTeX, Scientific Word, Plain TeX, AMS TeX), including graphics files.

Preparation of Manuscript. The *entire* manuscript (including notes and references) should be typed in 10 pt. or larger, double-spaced on $8\frac{1}{2} \times 11$-inch or A4 white paper, with wide margins to accommodate copyediting. Manuscript pages should be numbered consecutively. *Page 1* should provide article title, author name(s) in the form preferred for publication, complete affiliation(s), and e-mail address(es). At the bottom of Page 1 place any footnotes to the title or authors, indicated by superscripts *, **, etc. *Page 2* should contain a proposed running head (abbreviated title of no more then 40 characters) and the name of the author to whom proofs should be sent. *Page 2* should also contain a short abstract of the article in less than 150 words. The Abstract will appear at the head of the article when published in the Journal.

Equations. All equations should be typewritten and the numbers for displayed equations should be in parentheses in the right margin [e.g., (1), (2), etc.; for Appendix equations use (A.1), (A.2), etc.]. Text mentions of equations should simply use the form (2) or (A.3). Superscripts and subscripts should be typed clearly above and below the line, respectively. Theorem, lemma, and proposition statements should appear in italic print. End-of-proof signposts should appear as: ■. The Expectations operator E is set roman. Authors are encouraged to use the following order for enclosures, {[(...)]}.

Tables and Figures. Tables and figures should be numbered consecutively in the order in which they are mentioned in the text. They should be provided as a separate set of pages following all other pages. Every table or figure should have a title or caption and at least one reference in the text to indicate its appropriate location. Figures must be submitted ready for reproduction. Authors are encouraged to submit figures in electronic form, preferably TIFF (line drawings at least 600 dpi, grey scale at least 300 dpi) or EPS (with fonts embedded) format. Figures should be submitted as high-resolution files. TeX or LaTeX files of figures are not usable. TIFF, EPS, or PDF files must be provided for all figures. Figures should remain legible at a 50% reduction, and letters within a word should not touch one another. Figure labels should correspond to text notation as to italic or roman typeface, and superscripts and subscripts should be in superior and inferior positions.

References. First text citation of each reference should include all authors' last names (and the year); use "et al." thereafter. Complete bibliographic information for each citation should be included in the list of references. References should be typed in alphabetical order in the style of the following examples:

Bergstrom, A.R. (1976) *Statistical Inference in Continuous Time Economic Models*. North-Holland.

Giraitis, L. & D. Surgailis (1986) Multivariate Appell polynomials and the central limit theorem. In E. Eberlein & M.S. Taqqu (eds.), *Dependence in Probability and Statistics: A Survey of Recent Results*, pp. 21–72. Birkhauser.

Gregory, A.W. & G.W. Smith (1995) Business cycle theory and econometrics. *Economic Journal* 105, 1597–1608.

Wooldridge, J.M. (in press) On the limits of GLM for specification testing: A comment on Gurmu and Trivedi. *Econometric Theory*.

Journal names should *not* be abbreviated.

Footnotes. When more than a simple source citation is called for, footnotes may be used. These should be numbered consecutively throughout the article and listed together at the end of the text, before the references. Source citations within footnotes follow the same style as citations in the text.

Copyediting and Proofreading. The publisher reserves the right to copyedit and proofread all articles accepted for publication, but authors will be asked to review their manuscripts if changes have been substantial. Proofs will be sent (as PDF files attached to e-mail) to the corresponding author for corrections of typographical errors only.

Offprints. Authors may purchase offprints if they are ordered at the proof stage (an order form will be sent with proofs). Contributors will be asked to assign their copyrights, on certain conditions, to Cambridge University Press.

EDITORIAL POLICY. Since its inception *Econometric Theory* has aimed to endow econometrics with an innovative and authoritative journal dedicated to advance theoretical research in econometrics. It provides a centralized professional outlet for original theoretical contributions in all of the major areas of econometrics and seeks to foster the multidisciplinary features of econometrics that extend beyond the subject of economics. Among the many aspects of econometrics to come within the scope of *ET* are the statistical theory of estimation, testing, prediction, and decision procedures in traditionally active areas of research such as linear and nonlinear modeling, simultaneous equations theory, time series, studies of robustness, nonparametric methods, inference under misspecification, finite sample econometrics, limited dependent variable models, the treatment of panel data, and models of discrete choice. *ET* will provide a receptive arena for theoretical studies that open up new fields of research in econometrics and whose application potential is on a longer term horizon. Particularly welcome are articles that promote original econometric research in relation to modern developments in mathematical statistics and probability theory. Contributions that exposit methodological and technical advances in these fields and that illustrate their potential in econometric research are actively encouraged. Articles that unify earlier econometric work either in productive ways or by the use of more elegant methods also lie within the scope of the Journal.

As well as articles that embody original theoretical research, *ET* publishes historical studies on the evolution of econometric thought and interviews with the subject's leading scholars. *ET* also serves an educational role by the inclusion of a "Notes and Problems Series" and by the publication of pedagogical articles that deal explicitly with educational issues.

https://doi.org/10.1017/S0266466609253023 Published online by Cambridge University Press

Contents continued from back cover

MISCELLANEA

David T. Jacho-Chávez
Efficiency Bounds for Semiparametric Estimation of Inverse Conditional-Density-Weighted Functions 847

NOTES AND PROBLEMS

Noud P.A. van Giersbergen
Bartlett Correction in the Stable AR(1) Model with Intercept and Trend 857

Kazuhiko Hayakawa
A Simple Efficient Instrumental Variable Estimator for Panel AR(p) Models when Both N and T Are Large 873

https://doi.org/10.1017/S0266466609253023 Published online by Cambridge University Press

Econometric Theory Vol. 25 No. 3 June 2009

EDITORIAL

Peter C.B. Phillips
Econometric Theory and Practice 583

SPECIAL INVITED PAPER

David I. Harvey, Stephen J. Leybourne, and A.M. Robert Taylor
Unit Root Testing in Practice: Dealing with Uncertainty over the Trend and Initial Condition 587

Patrick Marsh, Ulrich K. Müller, Jörg Breitung, Peter Burridge, and Zhijie Xiao
COMMENTARIES ON "Unit Root Testing in Practice: Dealing with Uncertainty over the Trend and Initial Condition," by David I. Harvey, Stephen J. Leybourne, and A.M. Robert Taylor 637

Rejoinder from David I. Harvey, Stephen J. Leybourne, and A.M. Robert Taylor 658

ARTICLES

Donald W.K. Andrews and Patrik Guggenberger
Validity of Subsampling and "Plug-in Asymptotic" Inference for Parameters Defined by Moment Inequalities 669

Qiying Wang and Peter C.B. Phillips
Asymptotic Theory for Local Time Density Estimation and Nonparametric Cointegrating Regression 710

Rickard Sandberg
Convergence to Stochastic Power Integrals for Dependent Heterogeneous Processes 739

Kairat T. Mynbaev
Central Limit Theorems for Weighted Sums of Linear Processes: *Lp*-Approximability versus Brownian Motion 748

Rohit Deo, Clifford M. Hurvich, Philippe Soulier, and Yi Wang
Conditions for the Propagation of Memory Parameter from Durations to Counts and Realized Volatility 764

Laura Chioda and Michael Jansson
Optimal Invariant Inference when the Number of Instruments Is Large 793

Victor Chernozhukov, Christian Hansen, and Michael Jansson
Admissible Invariant Similar Tests for Instrumental Variables Regression 806

Rustam Ibragimov
Copula-Based Characterizations for Higher Order Markov Processes 819

Contents continued inside back cover

Cambridge Journals Online
For further information about this journal please go to the journal website at:
journals.cambridge.org/ect

FSC
Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
Cert no. SW-COC-002828
www.fsc.org
© 1996 Forest Stewardship Council

CAMBRIDGE UNIVERSITY PRESS

https://doi.org/10.1017/S0266466609253023 Published online by Cambridge University Press