Corrigendum for

Generalized Method of Moments

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Chapter 1

• p.4: In Table 1.1, Longstaff and Schwartz (1991) should read Longstaff and Schwartz (1992).

Chapter 2

• p.37: equation (2.11) should read \( \hat{\theta}_T = (T^{-1}(Z'X)^{-1}(T^{-1}Z'y)) \).

Chapter 3

• p.50: “two step” should read “two-step”.

• p.54: In Footnote 6, the derivative should read: \( \partial f(v_t, \theta)/\partial \theta' = -z_t x_t' \).

• p.56: In line 2, “effect” should read “affect”.

• p.56: In the last line, “form” should read “from”.

• p.59: In line 13, “of of” should read “of”.

• p.82: In Table 3.4, “1.4117” should read “1.1447”. (The latter was used in all computations.)

• p.115: In line 22, “estimator, necessitates” should read “estimator necessitates”.

Chapter 4

• p.123: In lines 4-8, the first line of the displayed equation should read

\[
H_{2,T}(1) = (\mu_1' W_T \otimes I_p) \text{vec} \{T^{1/2}[G_T(\hat{\theta}_T) - G_T(\theta^*)]' \}
\]

The other two lines in the displayed equation are correct but the three lines that follow should read:
$G_T^{(2)}(\hat{\theta}_T, \theta_*, \phi_T)$ is the $pq \times p$ matrix whose $i^{th}$ row is the corresponding row of $(\partial/\partial \theta') \text{vec} \left[ \{ \partial f(v_t, \theta_T^{(i)})/\partial \theta' \} \right]$ with $\theta_T^{(i)} = \phi_T^{(i)} \hat{\theta}_T + (1 - \phi_T^{(i)}) \theta_*$, $0 \leq \phi_T^{(i)} \leq 1$, and $\phi_T$ is the $pq \times 1$ vector with $i^{th}$ element $\phi_T^{(i)}$.

Chapter 5

- p. 177: In the bottom line, “1959:3-1979:9” should read “1959:4-1979:9”.

Chapter 6

- p. 212: The first displayed equation in Section 6.2.2 and the following sentence should read:

$$c_T = c_{0,T} + c_{1,T} T^{-1/2} + c_{2,T} T^{-1} + c_{3,T} T^{-3/2} \ldots$$

The limiting behaviour of $c_T$ is governed by the lead or first term of the expansion $c_{0,T}$, and this gives rise to the terminology.

Chapter 10

- p. 351: The third displayed equation should read:

$$\bar{\pi} = \max_{\pi \in \Pi} \sum_{t=1}^{T} \ln[\pi_t] \quad \text{subject to} \sum_{t=1}^{T} \pi_t = 1 \text{ and } \sum_{t=1}^{T} \pi_t \tilde{v}_t = 0$$

and equation (10.15) should read:

$$(\bar{\pi}, \hat{\theta}) = \max_{\pi \in \Pi, \theta \in \Theta} \sum_{t=1}^{T} \ln[\pi_t] \quad \text{subject to} \sum_{t=1}^{T} \pi_t = 1 \text{ and } \sum_{t=1}^{T} \pi_t f(\tilde{v}_t, \theta)$$

- p. 352: The displayed equation should read:

$$LR - EL = 2 \{ ELF_T(\hat{\pi}) - ELF_T(\bar{\pi}) \}$$

References

- p. 360: The sixth reference down should read:

• p.369 : The second to last reference should read:

• p.370 : The second reference should read:

• p.373 : The third to last reference should read:

• p.377 : The eighth reference should read:

• p.384 : The seventh reference should read: