

Abstract :

We test the assumption of conditional symmetry used to identify and estimate parameters in regression models with endogenous regressors without making any distributional assumptions. The specification test proposed here is computationally tractable, does not require nonparametric smoothing, and can detect root-n deviations from the null. Since the limiting distribution of the test statistic turns out to be a non-pivotal gaussian process, the critical values for implementing the test are obtained by simulation. In a Monte Carlo study we use the approach proposed here to test the assumption of conditional symmetry maintained in the seminal paper of Powell (1986). Results from this finite sample experiment show that our test can work well in moderately sized samples.

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Gautham Tripathi received his Ph.D. in economics from Northwestern University in 1997.

His specialization is in econometrics and the goal of his research is to investigate how statistical models can be estimated and tested without making unnecessary parametric or exogeneity assumptions and how restrictions imposed by economic theory can facilitate statistical inference. He has published papers in peer reviewed journals such as the Annals of Statistics, Econometrica, Econometric Theory, and the Journal of Econometrics.

Since 2004, he has been an associate professor of economics at the University of Connecticut in Storrs, Connecticut. However, he is currently on leave from UConn for this academic year and visiting the department of economics at Mannheim as Professor für Empirische Wirtschaftsforschung und Oekonometrie.

He is a native of India and a naturalized citizen of the U.S.



The Center for Research in Economic Analysis of the University of Luxembourg is pleased to invite you to the **Lunchtime Seminar in Economics:**

Testing conditional symmetry without smoothing

Gautham Tripathi
University of Connecticut

November 23, 2010
13:00 – 14:00

Campus Limpertsberg
Building of Science – Room BS001
162a, avenue de la Faïencerie
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Lunch is planned for the participants

Registration: by email to fdef-colloques@uni.lu

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