

Bootstrap Tests of Linear Restrictions on the Cointegration Space Under Misspecification

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Previous investigations of the behaviour of tests of cointegrating rank under mis-specification found incidentally that test of linear restrictions on the cointegrating space performed very badly if the cointegrating rank were taken as one rather than zero. This paper considers bootstrap versions of Wald and Likelihood ratio tests of linear restrictions, and finds sizes very close to nominal under over-fitting of this form and some resistance to mis-specification involving intercept shifts. The investigation of power is incomplete.

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