
Index

- Abadir, 2, 3, 202, 441
 acceptance/rejection sampling, 134, 136, 139
 Achcar, 108, 110
 admissibility, 42, 51, 91
 Albert, 239, 247, 293
 Amemiya, 261
 ancillarity, 64
 Andrews, 295
 ARCH, *see* autoregressive conditional
 heteroscedasticity
 asymptotics, 101, 146
 augmented joint posterior, 240, 241
 autocorrelated errors, 193
 autocorrelation, 178, 230, 247, 250
 autoregressive conditional heteroscedasticity, 406
 auxiliary mixture sampler, 392
 Azzalini, 313
- Balakrishnan, 441
 Bartlett's paradox, 130
 Bassett, 315
 Bauwens, xxi, 343, 345, 407, 418, 419
 Bayes factor, 69, 77, 97, 111, 120, 199, 328
 Bayes risk, 42, 51
 Bayes' theorem
 for densities, 12, 68
 for events, 3, 13, 68
 Bayesian credible region, 57, 62
 Bayesian critical value, 70, 76
 Bayesian econometrics, 1
 Bayesian inference, 11
 Bayesian model averaging, 321, 322, 326–328
- Bayesian model selection, 331, 333
 Bayesian statistics, 1
 Berger, 12, 42, 51, 58, 62, 64, 91, 92, 102, 362
 Bernardo, 1, 6, 91, 92, 101, 362
 Bernoulli, 1
 Bernoulli distribution, 4, 5, 8, 13, 83, 92,
 94, 299, 445
 Berument, 401
 beta distribution, 13, 19, 83, 127, 299, 446
 beta function, 13, 83
 beta-binomial distribution, 83
 bias, 47
 binomial distribution, 299, 445
 blocking steps, 228, 247
 BMA, *see* Bayesian model averaging
 Branco, 313
 burn-in, 156, 207
- Carlin, B. P., 155, 177, 211, 225, 229, 232,
 234, 235, 295
 Carlin, J. B., 158, 283, 303
 Carter, 369, 426
 Casella, 58, 157
 Cauchy distribution, 444
 Celeux, 289
 central limit theorem, 148
 Chan, 199, 210, 363, 369, 372–374, 379, 396, 402
 changepoint, 176, 183
 Chen, 250, 272
 chi-square distribution, 60, 127, 298, 442
 Chib, 155, 156, 198, 229, 239, 247, 257, 293, 323,
 325, 337, 385, 392–394

- choice of prior, 89, 92
- Chopin, 402
- Clark, P. K., 373
- Clark, T. E., 396
- Cobb–Douglas production function, 200
- Cogley, 428
- coherence principle, 2, 91
- cointegration, 435
- component indicator variables, 298, 392
- conditional frequentist, 64
- conditional independence, 9, 81, 217, 222
- confidence, 57, 60
- confidence interval, 62
- conjugate analysis
 - Bernoulli, 13
 - exponential, 22
 - exponential family, 23
 - multivariate normal, 25
 - normal with known mean and unknown variance, 21
 - normal with unknown mean and variance, 17
 - normal with unknown mean, known variance, 14
 - Poisson, 23
 - uniform, 22
- conjugate families, 12
- conjugate priors, 19, 89
- cost function, 31, 67
 - all-or-nothing, 33, 34, 36
 - alternative squared error, 38
 - asymmetric linear, 33, 34
 - balanced, 48
 - linex, 39, 50
 - predictive, 82
 - quadratic, 33, 42, 44, 47, 85, 86
 - symmetric linear, 33
 - weighted squared error, 33, 37
- count data, 176
- Cowles, 211, 225
- Cragg, 277
- Dalla Valle, 313
- Damien, 165
- data augmentation, 239, 240, 246, 248, 253, 256, 278, 314
- de Finetti, 2, 3
 - representation theorem, 4, 6
- de Jong, 369
- Deb, 277
- decision space, 67
- Denison, 337
- Dey, 313, 322, 325
- diagnostics
 - Gibbs sampler convergence, 225, 226
- Dickey, 70
- DiNardo, 267
- Dirichlet distribution, 272, 301, 446
- Djegnene, 402
- Doan, 415
- double exponential distribution, 295
- Duan, 277, 280
- Durbin, 369
- Dutch book, 2, 7
- dynamic factor model, 382
- effective sample size, 210
- Efron, 92
- ellipsoid bound theorem, 119
- empirical Bayes, 49, 194
- Engle, 401
- exchangeability, 3, 4, 7
- exponential distribution, 22, 44, 59, 88, 95, 107, 108, 110, 127, 132, 442
- exponential family, 12, 23
- factor model, 382
- Fair, 244
- Fernandez, 326, 328
- Früwirth-Schnatter, 343, 369, 379
- frequentists, 2
- fully exponential method, 103, 104, 108, 110, 111, 113
- g-prior, 326, 339
- gamma distribution, 22, 23, 44, 52, 83, 88, 96, 105–107, 118, 130, 441, 442
- gamma function, 13, 83, 442
- gamma-gamma distribution, 88
- GARCH, *see* generalized autoregressive conditional heteroscedasticity
- Garthwaite, 89
- Geisser, 90
- Gelfand, 140, 177, 221, 232, 234, 235, 322, 325
- Gelman, 155, 158, 283, 303
- generalized autoregressive conditional heteroscedasticity, 408
- generalized inverse Gaussian distribution, 295, 319
- generalized tobit model, 261, 266
- George, 157, 322, 331, 337, 420, 423
- Geweke, xxi, 139, 148, 155, 156, 191, 192, 200, 202, 211, 214, 255, 289, 323, 345, 347, 406, 407, 435, 436, 438

- Gibbs sampling, 155, 169, 178, 182, 185, 206,
 208, 323
 diagnostics, 206
 flowchart, 174
 invariance, 157
 GIG, *see* generalized inverse Gaussian distribution
 Gill, 177
 Grant, 373, 374
 Green, 289
 Greenberg, xxi, 155, 156
 Greene, 259
 griddy Gibbs sampler, 198, 376
 Gujarati, 244
- Haas, 295, 296, 319
 Hamilton, 384
 Hay, 280
 Heath, 5
 Heckman, 261
 Heijmans, 2
 helicopter tour, 359
 heteroscedasticity, 185, 189, 190
 hierarchical model, 217, 246
 highest posterior density
 interval, 57, 58, 60, 61, 64, 82
 region, 57
 Hills, 221
 Hodrick, 373
 Hodrick–Prescott filter, 373
 Hoeting, 322
 Hol Uspensky, 401, 404
 Holmes, 337
 HPD, *see* highest posterior density
 hurdle model, 277
 Hurn, 289
 Hwang, 58
 hypothesis testing, 67, 97
- identification, 29, 242
 importance sampling, 142, 144, 146, 149, 151
 improper prior, 42, 91, 92, 97, 98, 120
 incidental truncation, 261
 independence chain, 156, 160
 independent, 9
 Inder, 436
 inefficiency factor, 210
 information matrix, 90, 93–97
 intrinsic prior, 92
 inverse Gaussian distribution, 295, 447
 inverse transform method, 131, 132, 199, 394
 inverted gamma distribution, 46, 96, 340, 442
- Jeffreys, 90
 Jeffreys’ prior, 91–93, 95, 360
 Jeffreys’ rule, 91
 Jeliakov, 337, 369, 372
 Johnson, 441
- Kadane, 70, 89, 103, 104, 108, 110, 113, 363
 Kadiyala, 418
 Karlsson, 418
 Kass, 90–92, 94, 100, 104, 112
 Keane, 155, 255
 Kemp, 441
 Kim, 392–394
 Kleibergen, 436
 Kobayashi, 317, 318
 Koenker, 315
 Kohn, 337, 369, 426
 Koop, xxi, 155, 156, 160, 162, 181, 187, 207, 267,
 323, 328, 337, 345, 349, 353, 396,
 402, 436
 Koopman, 369, 401, 404
 Korobilis, 396
 Kotz, 441
 Kozumi, 317, 318
 Kroese, 379
 Kwan, 101, 344
- Lancaster, xxi, 155, 207
 Laplace, 1, 6
 Laplace approximation, 102, 105–107, 111, 113
 Laplace distribution, 160, 295, 317
 LASSO, 333
 latent variable models, 239
 Leamer, 120
 learning, 29, 122, 266, 267
Let’s Make a Deal, 6
 Leung, 280
 Ley, 326, 328
 Li, K., 261
 Li, M., 267, 269, 272
 likelihood principle, 12, 52, 64, 92
 Lilien, 401
 Lindley, 89, 222, 318
 linear regression model, 115, 127, 182, 292, 301
 Litterman, 415
 local level model, 368, 373
 local slope model, 378
 logistic distribution, 133
 lognormal distribution, 169, 298
 longitudinal data, *see* panel data
 loss function, *see* cost function
 lottery, 2

464

Louis, 155
 Lubrano, xxi, 343, 345, 407, 418, 419
 Luo, 374

Madigan, 322, 327
 Magnus, 2, 202, 441
 Mallick, 337
 Mallows, 295
 Manning, 277, 280
 marginal effects, 245, 247, 256, 258
 marginal likelihood, 11, 68, 69, 111, 322, 323, 325, 418
 marginal-conditional simulator, 214
 marginalization paradox, 91
 Markov chain Monte Carlo, 155
 model composition, 327, 329
 Markov switching model, 384
 Martino, 402
 matrix-variate normal distribution, 417
 McCausland, 369, 372, 402
 McCracken, 383
 McCulloch, 255, 322, 331, 337
 McDonald, 256
 McLachlan, 289
 MCMC, *see* Markov chain Monte Carlo
 mean squared error, 43, 44
 Melino, 256
 method of composition, 130, 214
 Metropolis–Hastings algorithm, 156, 158, 160, 189, 293, 327, 409
 Michael, 295, 296, 319
 Miller, 369, 372
 Min, 213
 Minnesota prior, 415
 missing data, 283, 284, 286
 mixed model, 228
 mixture model, 317, 363
 mixtures, 24, 82, 289
 of binomials, 307
 of normals, 290, 298, 301, 303, 331
 of Poissons, 296
 model probability, 321, 327
 Moffitt, 256
 moment-generating function, 40, 50
 Monte Carlo integration, 126, 127, 130, 149, 178, 346
 Morley, 373
 Morris, 277
 Moura, 398
 moving average, 197
 Moyeed, 317
 multicollinearity, 122, 123

Index

multinomial distribution, 301, 446
 multinomial probit, 252
 Mumtaz, 401
 Munkin, 277

Nandram, 250, 272
 Neal, 163, 165, 166
 negative binomial distribution, 93, 94, 296
 Nelson, 373
 Newhouse, 277
 Neyman, 91
 Ng, 383
 Ni, 420, 423
 Nobile, 255, 265
 non-centered parameterization, 398
 non-informative prior, 90
 non-parametric regression, 337
 normal distribution, 127
 half, 312
 matrix-variate, 447
 multivariate, 25, 85, 178, 442
 skew, 312, 313
 split, 72
 truncated, 195, 202, 255, 256, 271, 305
 univariate, 14, 17, 19, 21, 42, 48, 71, 75, 84, 96
 normal-gamma distribution, 19, 21, 22, 62, 86, 113, 116, 119, 187, 327, 331, 444
 NSE, *see* numerical standard error
 nuisance parameters, 12, 82
 numerical standard error, 126, 128, 208, 209, 230

O’Hagan, 89
 objective priors, 90, 92
 OLS, *see* ordinary least squares
 Olsen, 280
 one-sided hypotheses, 72
 ordered probit model, 247, 250, 268, 269
 ordinary least squares, 116, 153, 224–226
 output gap, 373

panel data, 217, 219, 246
 Pareto distribution, 23, 446
 Peel, 289
 Pelletier, 369, 372
 Pericchi, 92
 Perron, 374
 Phillips, 345, 362
 point estimation
 all-or-nothing loss, 34, 36
 alternative squared error loss, 38
 asymmetric linear loss, 34, 35
 Bayesian, 31, 32, 47, 50

- conjugate normal analysis, 36
- frequentist, 31
- linex loss, 39
- non-conjugate normal analysis, 39
- prediction, 82
- quadratic loss, 33, 35
- weighted squared error loss, 37
- Poirier, xxi, 6, 11, 46, 60, 83, 112, 115, 120, 130, 160, 219, 256, 267, 268, 295, 337, 339, 349, 441, 442
- Poisson distribution, 23, 52, 83, 95, 445
- Poisson-gamma distribution, 84
- Polson, 255, 295
- population model, 232
- posterior density, 11
- posterior expected cost, 67, 68
- posterior odds, 69
- posterior predictive density, 81
- posterior predictive p -values, 207
- posterior simulator
 - AR(p) model, 345
 - ARCH model, 406
 - convergence, 213, 214
 - diagnostics, 214, 225
 - dynamic factor model, 382
 - GARCH model, 408
 - generalized tobit, 261, 266
 - hierarchical model, 221, 228
 - linear regression model, 182
 - local level model, 368
 - local slope model, 378
 - mixture of binomials, 307
 - multinomial probit, 252
 - non-parametric regression model, 235, 337
 - normal mixture model, 298, 301, 303
 - ordered outcomes model, 268
 - ordered probit, 247, 250
 - panel probit, 246
 - probit model, 240, 242
 - quantile regression, 317
 - regime-switching model, 384
 - regression model with autocorrelation, 193
 - regression model with heteroscedasticity, 185, 189, 190
 - regression model with linear constraints, 200
 - regression model with moving average errors, 197
 - regression model with unknown changepoint, 176, 183
 - sample-selection model, 280
 - stochastic frontier model, 273
 - stochastic volatility model, 391, 396, 401
 - SUR model, 203
 - threshold autoregressive model, 347, 351, 354
 - tobit model, 255, 258
 - treatment effects model, 259
 - two-part model, 277
 - VAR model, 412, 415, 417, 423, 432
- Potter, 337, 347, 353, 402
- precision sampler, 371
- prediction, 81
- Prescott, 373
- Primiceri, 414, 429
- prior density, 11
- prior elicitation, 89
- prior odds, 69
- probability, 2
 - long-run relative frequency, 2, 5
 - subjective, 2, 3, 61
- probit model, 240, 242, 244, 246, 292, 293
- proper prior, 42, 97
- QQ plot, 207
- quantile regression, 315, 317
- Racine-Poon, 221
- Raftery, 322
- Ramsey, 2
- random walk chain, 156, 160, 190, 328, 407
- reference prior, 91
- regime switching, 354, 384
- relative numerical efficiency, 146, 148
- reparameterization, 64, 91, 95, 103, 104, 111, 250
- Richard, xxi, 343, 345, 407, 418, 419
- Richardson, 289
- risk function, 31, 48, 50, 51
- Ritter, 198
- Robert, 58, 289
- Robins, 401
- Rogers, 277, 280
- Rossi, 240, 255
- Rubin, 140, 155, 158, 283, 303
- Rue, 372, 402
- Runkle, 255
- Sahu, 232, 234, 235
- sample-selection model, 280
- sampling distribution, 32, 81
- sampling properties, 42, 44, 48
- sampling-importance resampling, 140
- Sargent, 428
- Savage–Dickey density ratio, 77, 78, 194, 196, 198, 199, 380, 397
- Schotman, 345

- Schucany, 295, 296, 319
Schwarz, 112
Scott, 91
seemingly unrelated regressions model, 203, 284
Shephard, 369, 392–394
shrinkage estimator, 219, 224
Shuster, 295, 296
Silverman, 267
simple hypotheses, 70, 71, 74, 75
Sims, 344, 345, 354, 357, 359, 411, 415
slice sampling, 162, 166
Smith, A. F. M., 1, 6, 101, 108, 110, 140, 177, 221, 222, 318, 337
Smith, M., 337
SSVS, *see* stochastic search variable selection
Startz, 374
state space models, 367
Steel, 326, 328
Stern, 155, 158, 283, 303
Stirling, 1
stochastic frontier model, 273
stochastic search variable selection, 331, 332, 419
stochastic simulation, 125
stochastic volatility, 391, 396, 401, 428
Stock, 397, 398
Strachan, 345, 436
strong inconsistency, 98, 100
Student *t* distribution, 86, 127, 130, 149, 191, 290, 292, 327, 443
successive-conditional simulator, 214
Sudderth, 5
Sun, 420, 423
SUR, *see* seemingly unrelated regressions model
- Tanner, 198, 239
Terui, 347
Thornber, 362
Tibshirani, 333
Tierney, 103, 104, 108, 110, 113, 157
time series, 343, 367, 391, 411
time-varying parameter VAR, 423
Tobias, 210, 267, 269, 272, 337
Tobin, 255
tobit model, 255, 258, 277
transition kernel, 214
treatment effects, 268
Trivedi, 277
- truncated normal, 132
Turatti, 398
two-part model, 280
two-sided hypothesis, 74, 75
type I and II errors, 74, 76
type II maximum likelihood estimator, 49
- Uhlig, 344, 345, 357, 359
uniform distribution, 22, 127, 441
unit roots, 360
unobserved components, 396
unobserved components models, 367
unobserved confounding, 259
- van Dijk, 345, 436
van Hasselt, 277, 280
VAR, *see* vector autoregression
vector autoregression, 411, 412, 415, 417, 419, 423, 428, 432
vector error correction model, 435
Vijverberg, 267
Villani, 345, 436
Volinsky, 322
- Wada, 374
Wagner, 379
Wakefield, 165
Wald, 42
Walker, 165
Wasserman, 90–92, 94, 100, 112
Watson, 373, 397, 398
weighted bootstrap, 140
Wishart distribution, 222, 444
Wolfson, 363
Wolpert, 12, 62, 64
Wong, 239
- Yalcin, 401
Yang, 92, 362
Yildirim, 401
York, 327
Yu, 280, 317
- Zanetti, 401
Zellner, 39, 48, 203, 213, 240, 326
Zha, 354
Zivot, 373