Homework 5. Due Friday October 5.

1. Simulate and estimate an ordered probit model using the posted Matlab code.

2. Use the posted Matlab code to simulate and estimate an exponential duration model. Truncate the outcomes at T=40 and estimate the exponential duration model with incomplete spells.

3. Instead assume the hazard θ_i takes a logit form. Now simulation and estimate the model.

4. For the same simulated data as in question 3., generate a panel of observations with t_i observations for each individual i. (Generate a 0 for each period up till $t_i - 1$ and a 1 for t_i). Now estimate the parameter using the logit code you used earlier and compare the results from 3.