

Estimation of parameters of structural change under small sigma approximation theory

Romesh Gupta

University of Jammu, India

Abstract

In this paper, the structural change in a linear regression model over two different periods of time is estimated. The ordinary least squares and Stein-rule estimators are employed to estimate the structural change. Their efficiency properties are derived using the small sigma theory and dominance conditions are derived.

Keywords

Structural change, Ordinary least squares, Stein-rule estimators.