

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Annals of Economic and Social Measurement, Volume 3, number 3

Volume Author/Editor: Sanford V. Berg, editor

Volume Publisher: NBER

Volume URL: <http://www.nber.org/books/aesm74-3>

Publication Date: July 1974

Chapter Title: Front matter, Editor's Corner

Chapter Author: Sanford V. Berg

Chapter URL: <http://www.nber.org/chapters/c10170>

Chapter pages in book: (p. -2 - 0)

Annals of
**Economic and Social
Measurement**

Journal of computers, information retrieval,
and research methodology

volume 3

number 3

July 1974

contents



Editor's Corner

MALCOLM S. COHEN and FRANK P. STAFFORD: A Life Cycle Model of the Household's Time Allocation 447

JOHN CONLISK: Optimal Response Surface Design in Monte Carlo Sampling Experiments 463

BARBARA R. BERGMANN: A Microsimulation of the Macroeconomy with Explicitly Represented Money Flows 475

T. MUECH, A. BOLNEK, N. WALLACE and W. WEHLER: Tests for Structural Change and Prediction Intervals for the Reduced Forms of Two Structural Models of the U.S.: The FRB-MIT and Michigan Quarterly Models 491

Research Methodology Notes

HATANEA MICHIO: A Simple Suggestion to Improve the Moore-Zarnowitz Criterion for the Evaluation of Forecasts 521

JAMES STELERT: Generating Submodels of a Simultaneous Equation Model: An Algorithm Using Fisher's Correspondence Principle 525

Computer Center Notes

JOE B. WYATT: Toward Computer Networking: The Harvard Experience 541

IBER Computer Research Center Notes 551

National Bureau of Economic Research

EDITOR'S CORNER

This issue of the *Annals* is the first non-conference issue in a year, with the next three issues returning to specialized topics: estimation of simultaneous equation systems, the analysis of consumer expenditure data, and control theory applications (workshop three). Publication of conference volumes in journal format permits rapid information dissemination within the research community, and makes the papers more accessible to economists and other researchers. As the NBER Conference on the Computer in Economic and Social Research and the NBER Computer Research Center in Economics and Management Science sponsor additional specialized conferences, workshops, and seminars, the *Annals* will continue to make research results available with minimum time lags and in a convenient format.

Returning to this issue, the articles represent a diverse set of topics. Malcolm Cohen and Frank Stafford present a novel approach to modeling the household's time allocation. A computer simulation indicates the optimization process for a family's utility function which depends on the level and time path of consumption, number of children, and time spent on leisure and child care. The study is suggestive of the role a control model can play in explaining time allocation and consumption in a lifetime household model.

In the next article, John Conlisk applies the theory of optimal experiment design to Monte Carlo sampling experiments. He shows that prevailing practices may lead to inefficient use of computer time. Barbara Bergmann's article presents a model of the macroeconomy which is explicit about the way interactions of micro units "add up" to achieve macro results. Consistent estimates of the flow of funds and the GNP accounts are generated, as firms make production, price, and employment decisions, incomes are paid, and consumers, firms, and government purchase goods and make portfolio adjustments. The framework should stimulate further work in this area.

The article by Muench, Rohnick, Wallace, and Weiler presents "Tests for Structural Change and Prediction Intervals for the Reduced Form of Two Structural Models of the U.S.: The FRB-MIT and Michigan Quarterly Models." The tests "... determine in a probabilistic sense whether the magnitudes of ex post forecast errors can be attributed entirely to randomness in the economy and to uncertainty stemming from the size of the data set, or, must in part be attributed to structural deficiencies of the model, where structure includes a stochastic specification consistent with the particular estimation procedure employed." The article illustrates the range of tests that can be applied to estimated simultaneous equation models, as well as the implications that can be drawn from tests using confidence regions and other aspects of forecast distributions. The computer made possible large-scale econometric models of the economy; along with advances in econometrics, the computer also makes possible improved tests of such models.

The first research methodology note, by Michio Hatanka, is a short one which extends the Mincer-Zarnowitz criterion for the evaluation of forecasts.

Then James Steuert uses Fisher's Correspondence Principle to generate all simultaneous submodels of a simultaneous equation model. The algorithm is applied to the 27-equation Klein-Goldberger model. The tests can aid in finding the equations or parts of equations which cause the specification problem.

Joe Wyatt, in a computer center note, describes how Harvard's divestiture of a major part of its in-house computing service resources has affected costs and benefits to users. He concludes that the use of remotely located resources can save money and expand the services available to users. As a case study, it provides evidence that computer networking technology is expanding the production possibility frontier for universities, and that a number of organizational issues will have to be addressed during the transition toward greater resource sharing among universities. The last note contains abstracts from the NBER Computer Research Center for Economics and Management Science--which illustrates how specialized resources can be of benefit to the wider research community.

The Managing Editor of the *Annals* acknowledges the Editorial Board and the following individuals for their help within the past two years:

John Adams	Lee A. Lillard
Orley Ashenfelter	Anloh Lin
Michael Athans	Robert E. Lipsey
Barbara A. Bailer	Preston Miller
John Beresford	Robert C. Nuekols
Dave Belsley	Benjamin Okner
Leonore E. Bixby	Guy Orcutt
Charlotte Boschan	Lyman Ott
Daniel Creamer	Adrian Pagan
Martin David	Robert B. Pearl
A. R. Dobell	John Quigley
Robert Dorfman	Margaret G. Reid
Robert Ferber	Michael Rothchild
Thomas W. Gavett	Nancy Ruggles
Michael Gort	Richard Ruggles
Edward Gramlich	James Smith
David Hoaglin	Lester Telser
Robinson G. Hollister	Robert Willis
Lonnie L. Jones	Paul Zarembka
Virginia Klema	Arnold Zellner
Robert Leone	

SVB