

A Comparison of the 'Rational Expectations' and 'General-to-Specific' Approaches to Modelling the Demand for M1

[Author & abstract](#)[Download](#)[7 Citations](#)[Related works & more](#)[Corrections](#)

Author

Listed:

- Muscatelli, V A


[Registered:](#)

- [Vito Antonio Muscatelli](#) 

Abstract

This paper compares the "forward-looking" and "general-to-specific" approaches to modeling the demand for M1 in the United Kingdom. The authors show that the "forward-looking" models lead to a restrictive dynamic structure compared to models obtained using the alternative approach. Models derived using the "general-to-specific" approach also seem to be preferable to "forward-looking" models in that they yield more plausible long-run properties. The authors also employ variance-encompassing tests to discriminate between the two approaches. Copyright 1989 by Blackwell Publishing Ltd

Suggested Citation

 Muscatelli, V A, 1989. "[A Comparison of the 'Rational Expectations' and 'General-to-Specific' Approaches to Modelling the Demand for M1](#)," [Oxford Bulletin of Economics and Statistics](#), Department of Economics, University of Oxford, vol. 51(4), pages 353-375, November.

Handle: *RePEc:bla:obuest:v:51:y:1989:i:4:p:353-75*

[Export reference](#) 

as

[IDEAS](#) is a [RePEc](#)  service. RePEc uses bibliographic data supplied by the respective publishers.