

Discussion of Giacomini and Rossi's
“Non-Nested Model Selection in Unstable Environments”

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FRB Cleveland, October 2006

Testing vs. Selection vs. Prediction

- Non-Nested Hypothesis Tests
 (“Model Selection tests”)

Cox et al. (1960s)...Vuong et al. (1980s, 2000s)

- Model Selection Criteria
Akiake, Schwarz (1970s)...

- Predictive Accuracy Tests

Diebold-Mariano (1995)...McCracken et al (2000s)

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- GR effectively use $e_t = Q_t^*(\theta_t^*)$.
Is that really the right loss function?

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Midway: Crises, ...

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- Extension to posterior odds calculation
 - Extension to nested models
 - Again facilitates important comparisons, such as SW vs. BVAR!