
Contents

	<i>Acknowledgments</i>	xi
1.	Introduction	1
Part I Econometric Theory and Methodology		
2.	The Econometric Methodology	9
	<i>Appendix 2.1</i> Identification and Testing	27
	<i>Appendix 2.2</i> An Annotated Computer Program	32
3.	An Integrated View of Tests of Rationality, Market Efficiency, and the Short-Run Neutrality of Aggregate Demand Policy	44
Part 2 Empirical Studies		
4.	Are Market Forecasts Rational?	59
5.	Monetary Policy and Interest Rates: An Efficient Markets–Rational Expectations Approach	76
	<i>Appendix 5.1</i> Estimates of the Forecasting Equations	97
	<i>Appendix 5.2</i> Additional Experiments Using the Two-Step Procedure	103
6.	Does Anticipated Aggregate Demand Policy Matter?	110
		ix

	<i>Appendix 6.1</i> Output and Unemployment Models with Barro and Rush Specification	129
	<i>Appendix 6.2</i> Results with Nominal GNP Growth and Inflation as the Aggregate Demand Variable	133
	<i>Appendix 6.3</i> Results Not Using Polynomial Distributed Lags	143
	<i>Appendix 6.4</i> Jointly Estimated Forecasting Equations	150
7.	Concluding Remarks	156
	<i>References</i>	159
	<i>Index</i>	169