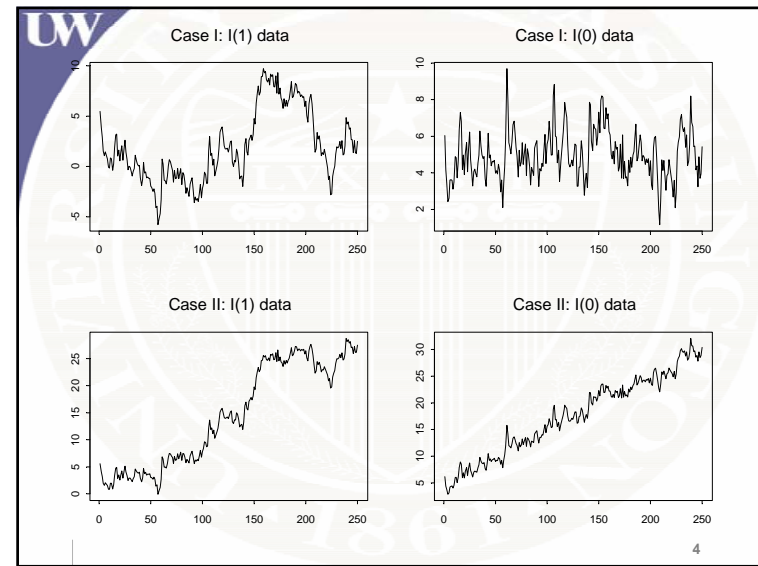
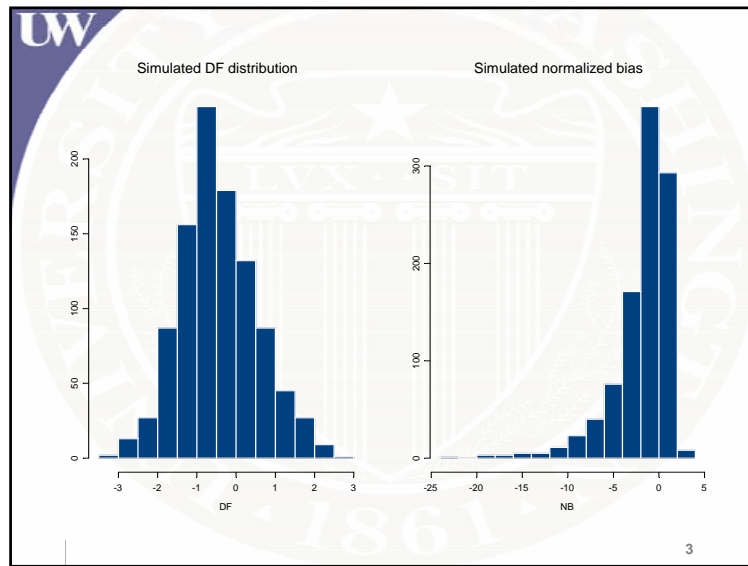
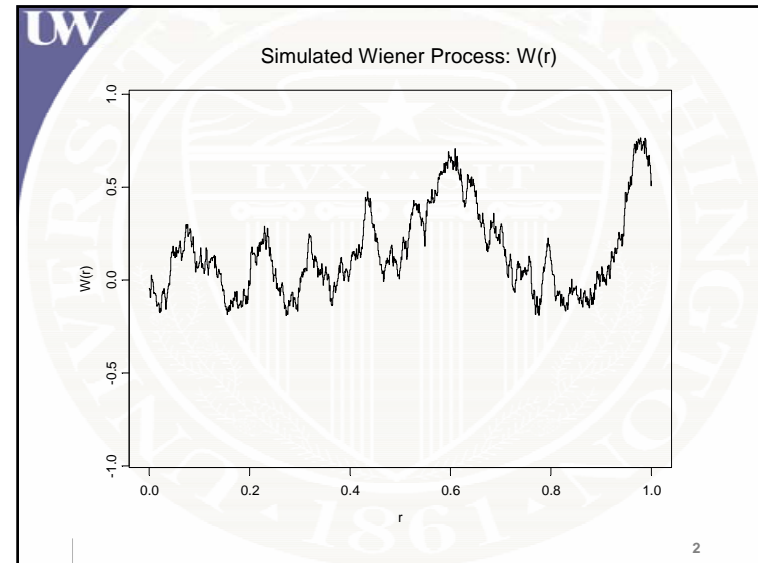

**Econ 584**  
**Time Series Econometrics**  
**Unit Root Tests**  
 Eric Zivot  
 April 25, 2006

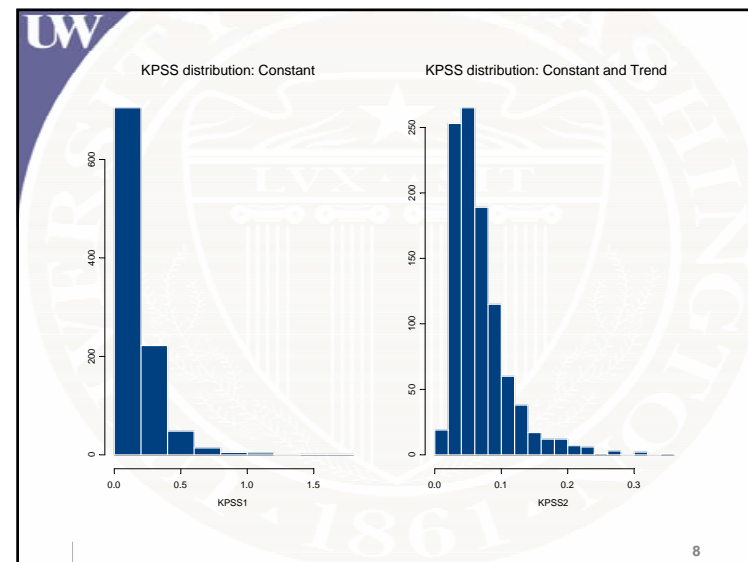
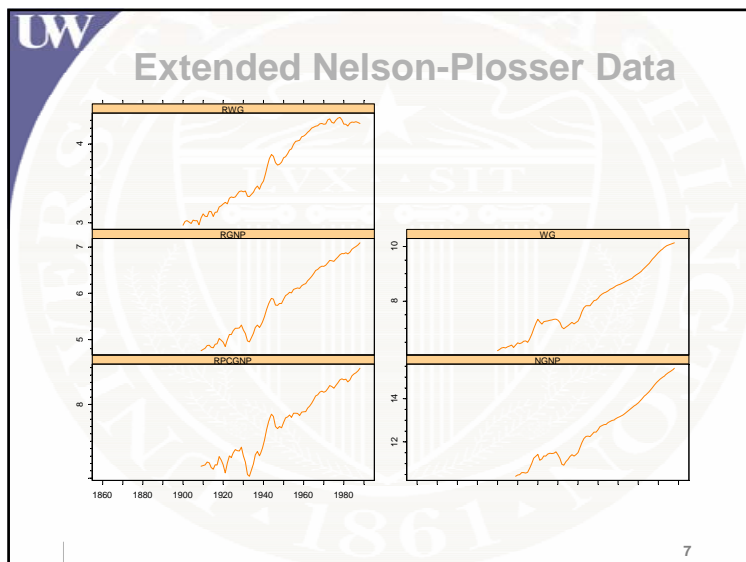
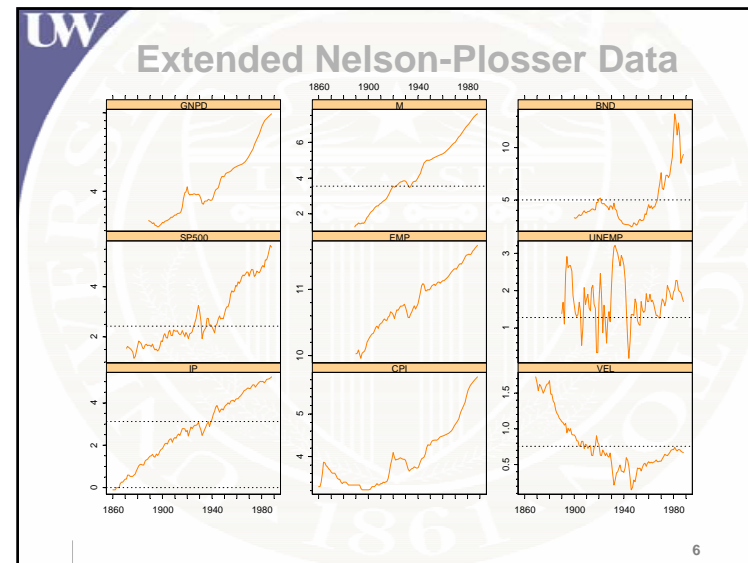
1



**UW** Nelson-Plosser (1980): "Trends and Random Walks in Macroeconomic Time Series," JME

- One of the most cited papers in empirical macroeconomics
- Tested for unit roots in 14 macroeconomic time series using ADF unit root tests
- Could not reject the null of a unit root for 13 of 14 series (unemployment was only rejection)
- Results created the "unit root" era in time series/macro
- Nelson-Plosser data is a benchmark dataset for essentially all unit root papers!

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### Simulated Partial Sum Processes

