

These files contain the notes, data, and MATLAB programs that will allow you to reproduce the econometric work in my paper, "On the Welfare Cost of Inflation and the Recent Behavior of Money Demand."

figs12.xls is an MS Excel spreadsheet that contains the annual data, 1900-2006, that are presented in Figures 1 and 2 of the paper.

notes.pdf is a pdf file containing detailed notes on the Phillips-Perron unit root tests, the Phillips-Ouliaris cointegration tests, and the dynamic OLS estimates described in the paper and calculated using the remaining 4 files.

quarterly.dat is a text file containing the quarterly data, 1980-2006, used by the MATLAB programs. Column 1 contains the data on real money balances, column 2 on real GDP, column 3 on the money-income ratio, and column 4 on the nominal interest rate.

philper.m is a MATLAB program that performs the Phillips-Perron unit root tests. See the comment lines at the top of the file for a description of the output that it produces. If you simply type "philper" in the MATLAB command window, this program will automatically produce the numbers presented in Table 1 of the paper.

philou.m is a MATLAB program that performs the Phillips-Ouliaris cointegration tests. See the comment lines at the top of the file for a description of the output that it produces. If you simply type "philou" in the MATLAB command window, this program will automatically produce the numbers presented in Tables 2 and 3 of the paper.

dols.m is a MATLAB program that performs the dynamic OLS regressions and the associated hypothesis tests. See the comment lines at the top of the file for a description of the output that it produces. If you simply type "dols" in the MATLAB command window, this program will automatically produce the numbers presented in Tables 4 and 5 of the paper.

For precise variable definitions and data sources, see the paper's Appendix.

The programs are written for MATLAB Version 7.6 (2008a). Please address any questions to me at irelandp@bc.edu.

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