

Identifying Shocks Using the Maximum Forecast Error Variance Approach

Centre for Monetary and Financial Economics ([CMFE](#))_Workshop

November 12, 2017, 1-4pm, D-880 Loeb Building

Carleton University

In many empirical studies researchers are interested in identifying shocks using the structural vector autoregression (SVAR) framework and understanding their effects on variables of interest. Previously, long-run restrictions have been used extensively. That approach, however, has drawbacks and an alternative approach—the Maximum Forecast Error Variance (MFEV) approach is now beginning to get widely used in both academic and policy work.

In this workshop, Professor Ben Zeev (Ben-Gurion University of the Negev, Israel) will present a hands-on introduction to the MFEV approach in the context of identifying News Shocks. He will show how to implement the identification restrictions, compute impulse responses and confidence bands, using Matlab.

The MFEV approach can be applied in a variety of contexts to identify business cycle shocks, monetary and fiscal shocks, in closed and open economies. As such, this workshop will be of interest to MA and PhD students, and to researchers interested in applied work using SVARs.

You may register via the link below. The deadline for registration is 5pm, October 31st, 2017.

<https://forms.carleton.ca/economics/identifying-shocks/>

About the Instructor: Professor [Nadav Ben Zeev](#) is a macroeconomist with specialization in business cycles and monetary and fiscal policy analysis. He has published in leading general interest and field journals such as the *Economic Journal*, *Journal of Money, Credit and Banking*, *Journal of Economic Dynamics & Control*, *Journal of International Economics*, *Journal of Economic History*, and *Annals of Regional Science*. Professor Ben Zeev was the Max Weber Fellow at the European University Institute during 2012-2013 and a Visiting Scholar at the University of Michigan during 2011.