

LIST OF CONTRIBUTORS	vii
INTRODUCTION	ix
 <b>PART I: MODELING AND ESTIMATION PRACTICE</b>	
THE MODELING OF EXPECTATIONS IN EMPIRICAL DSGE MODELS: A SURVEY <i>Fabio Milani</i>	3
OPTIMAL MONETARY POLICY IN AN ESTIMATED LOCAL CURRENCY PRICING MODEL <i>Eiji Okano, Masataka Eguchi, Hiroshi Gunji and Tomomi Miyazaki</i>	39
NEWS, NON-INVERTIBILITY, AND STRUCTURAL VARS <i>Eric R. Sims</i>	81
BAYESIAN ESTIMATION OF NOEM MODELS: IDENTIFICATION AND INFERENCE IN SMALL SAMPLES <i>Enrique Martínez-García, Diego Vilán and Mark A. Wynne</i>	137
FITTING U.S. TREND INFLATION: A ROLLING-WINDOW APPROACH <i>Efrem Castelnuovo</i>	201

**EXPECTATION FORMATION AND MONETARY  
DSGE MODELS: BEYOND THE RATIONAL  
EXPECTATIONS PARADIGM**

*Fabio Milani and Ashish Rajbhandari*

253

**PART II: ECONOMETRIC METHODOLOGY**

**APPROXIMATION PROPERTIES OF LAPLACE-TYPE  
ESTIMATORS**

*Anna Kormilitcina and Denis Nekipelov*

291

**FREQUENCY DOMAIN ANALYSIS OF MEDIUM  
SCALE DSGE MODELS WITH APPLICATION TO  
SMETS AND WOUTERS (2007)**

*Denis Tkachenko and Zhongjun Qu*

319

**ON THE ESTIMATION OF DYNAMIC STOCHASTIC  
GENERAL EQUILIBRIUM MODELS: AN EMPIRICAL  
LIKELIHOOD APPROACH**

*Sara Riscado*

387

**STRUCTURAL ESTIMATION OF THE  
NEW-KEYNESIAN MODEL: A FORMAL TEST  
OF BACKWARD- AND FORWARD-LOOKING  
BEHAVIOR**

*Tae-Seok Jang*

421