Instruction

- This folder contains GAUSS codes for computing generalized runs (GR) tests of Cho and White (2011). Specifically, it computes sup-norm ($\tilde{\mathcal{T}}_{\infty,n}$) and L1-norm ($\tilde{\mathcal{T}}_{1,n}$) based test statistics and their p-values. Their definitions are provided in Section 5 of Cho and White (2011).
- The program file assumes that the GR tests are applied to prediction errors obtained from estimating a linear model. Thus, parameter estimation error is accommodated in deriving the asymptotic null distribution.
- Parameter space for $\mathbb{S}$ is set to be [-0.5, 0.5], and $\mathbb{P}$ is set to be [0, 1].

Reference

Cho, J.S. and White, H. (2011): "Generalized Runs Tests for the IID Hypothesis," *Journal of Econometrics*, 162, 326~344.