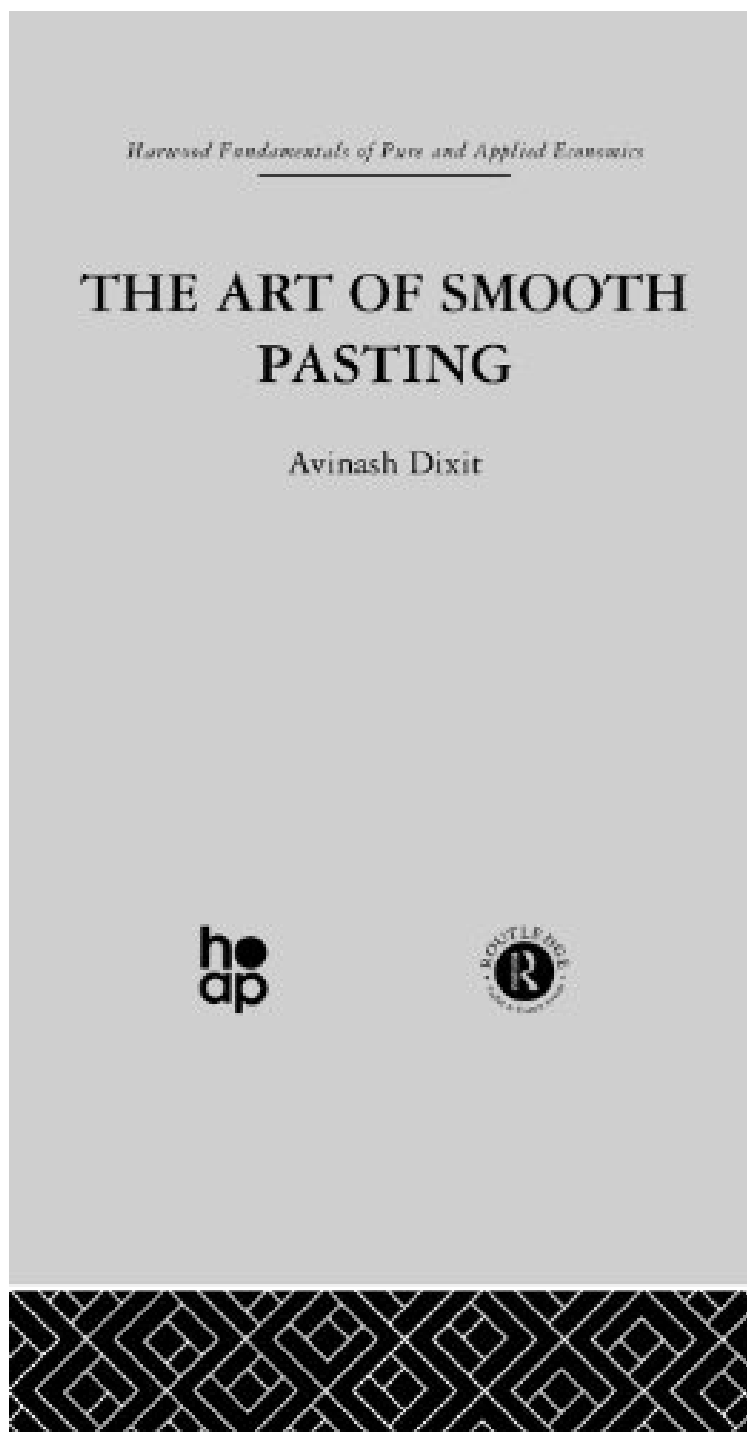


(Download pdf ebook) The Art of Smooth Pasting: Volume 1 (Harwood Fundamentals of Pure and Applied Economics)

The Art of Smooth Pasting: Volume 1 (Harwood Fundamentals of Pure and Applied Economics)

A. Dixit

ePub / *DOC / audiobook / ebooks / Download PDF



 Download

 Read Online

#2019205 in eBooks 2013-11-12 2013-11-12 File Name: B00GN62E5E | File size: 31.Mb

A. Dixit : The Art of Smooth Pasting: Volume 1 (Harwood Fundamentals of Pure and Applied Economics)
before purchasing it in order to gage whether or not it would be worth my time, and all praised The Art of Smooth Pasting: Volume 1 (Harwood Fundamentals of Pure and Applied Economics):

1 of 13 people found the following review helpful. A pretty good little book...By Yun-chiang TaiIt is a book about the envelop theorem used in fonance and economics....A little book butwith wisdom and techniques everyone in the field has to know.... Art pasting is an importanttechnique as we try to analyze something deep inside... Just ask the food we

need to take...the water we need to drink...It is essential...and without...pleasure....7 of 7 people found the following review helpful. Worth its weight in smooth gold pasteBy LouisThere is a reason this slim little manual is selling for more than \$70. The Art of Smooth Pasting is a triumph for clarity and brevity in technical mathematical writing. The book distills dynamic stochastic regulation into 72 pages. Its brevity is due to a focus on results and the use of verbal proof techniques. Its clarity is due to its author, Avinash Dixit.The book obtains Ito's lemma "the easy way" from a Taylor expansion. It uses the same expansion, as well as an alternative discretization technique, to form the differential equation for the discounted present value of a stochastic process. It calculates discounted present value in the cases of CARA and CRRA utility and contains a sharp discussion about the constants of integration that arise from the differential equation. It moves to barriers and optimal barrier placement, one of the models most ripe for application. It also gives results on passage times and some results on long-run distributions.The work has been partially eclipsed if not in style then in content by Nancy Stokey's recent book, The Economics of Inaction, which runs around 300 pages. Her work explores more thoroughly the basics of stochastic processes and contains more results, but for economy of style (and even artfulness) it is difficult to beat The Art of Smooth Pasting.0 of 0 people found the following review helpful. Five StarsBy Y.H. F.excellent!

This book aims to widen the understanding of stochastic dynamic choice and equilibrium models. It offers a simplified and heuristic exposition of the theory of Brownian motion and its control or regulation, rendering such methods more accessible to economists who do not require a detailed, mathematical treatment of the subject. The main mathematical ideas are presented in a context which with which economists will be familiar. Using a binomial approach to Brownian motion, the mathematics is reduced to simple algebra, progressing to some equally simple limits. The starting point of the calculus of Brownian motion - 'Ito's Lemma' - emerges by analogy with the economics of risk-aversion. Conditions for the optimal regulation of Brownian motion, including the important, but often mysterious, 'smooth pasting' condition, are derived in a similar way. Each theoretical derivation is illustrated by developing a significant economic application, drawn mainly from recent research in macroeconomics and international economics.