**Main Empirical analysis**

**Folder: empirical\_analysis\usa**

**empirical\_analysis\uk**

The Gibbs algorithm is implemented by running Estimate\_s1.m. This file loads the data automatically. The fixed coefficient model can be estimated using the file Estimate\_var.m in the sub-folder fixedcoefficient. The code for producing the figures in the paper is in the sub-folder called **figures**

**Monte-Carlo experiment**

**Folder: Monte\_Carlo**

1. Generate data by running generatedata7.m
2. Run estimation by running run\_mc\_alg1.m

The folder extensions contains code for the extended versions of the basic model. These sub-folders are arranged in the same manner as the Monte\_Carlo folder