Table 5: Model Specification Tests Based on GMM Estimation

Tests Based on Estimation with the Complete Sub-Samples.

	Excluding Q		Excluding A		Excluding L	
Data	Test Statistic	Prob. Value	Test Statistic	Prob. Value	Test Statistic	Prob. Value
MOR0	22.821	0.440E-04	15.300	0.412E-02	82.622	0.145E-13
MOR1	1.765	0.623E+00	9.706	0.457E-01	3.009	0.934E+00
MOR2	12.689	0.536E-02	20.496	0.399E-03	7.822	0.451E+00

	Excluding C		Excluding V		Excluding T	
Data	Test Statistic	Prob. Value	Test Statistic	Prob. Value	Test Statistic	Prob. Value
MOR0	18.491	0.989E-03	43.104	0.985E-08	2.723	0.605E+00
MOR1	19.017	0.780E-03	12.468	0.142E-01	3.033	0.552E+00
MOR2	14.883	0.495E-02	2.090	0.719E+00	.695	0.952E+00

Tests Based on Estimation with Reduced Sub-Samples, RS1.

	Excluding Q		Excluding A		Excluding L	
Data	Test Statistic	Prob. Value	Test Statistic	Prob. Value	Test Statistic	Prob. Value
MOR0	0.956	0.812E+00	3.478	0.481E+00	15.926	0.435E-01
MOR1	0.041	0.998E+00	4.422	0.352E+00	9.840	0.276E+00
MOR2	0.055	0.997E+00	0.882	0.927E+00	11.855	0.158E+00

	Excluding C		Excluding V		Excluding T	
Data	Test Statistic	Prob. Value	Test Statistic	Prob. Value	Test Statistic	Prob. Value
MOR0	4.406	0.354E+00	0.996	0.910E+00	3.054	0.549E+00
MOR1	2.702	0.609E+00	1.323	0.857E+00	0.626	0.960E+00
MOR2	12.475	0.141E-01	0.935	0.920E+00	5.615	0.230E+00

Tests Based on Estimation with Reduced Sub-Samples, RS2.

	Excluding Q		Excluding A		Excluding L	
Data	Test Statistic	Prob. Value	Test Statistic	Prob. Value	Test Statistic	Prob. Value
MOR0	3.559	0.313E+00	5.199	0.267E+00	31.860	0.987E-04
MOR1	8.568	0.356E-01	30.727	0.348E-05	17.994	0.213E-01
MOR2	11.926	0.764E-02	7.847	0.973E-01	15.350	0.527E-01

	Excluding C		Excluding V		Excluding T	
Data	Test Statistic	Prob. Value	Test Statistic	Prob. Value	Test Statistic	Prob. Value
MOR0	4.040	0.401E+00	20.569	0.385E-03	10.684	0.304E-01
MOR1	3.813	0.432E+00	7.237	0.124E+00	20.356	0.425E-03
MOR2	10.941	0.272E-01	7.388	0.117E+00	12.234	0.157E-01

Notes to Tables 4 and 5

1. In the headings to the test statistics, "Excluding Q" and so on indicates the variables being excludes are: Q, quadratic terms in total expenditures; A, age of head; L, labour force variables; C, other expenditures conditioning good; V, vehicle ownership; and T, tobacco consumption dummy.

2. The degrees of freedom for the tests are 8 for L; 4 for A, C, V and T; 3 for Q; and 16 for CLA.

3. In Table 4, a zero for a test statistic indicates that one of the estimated models did not reach convergence when being estimated.