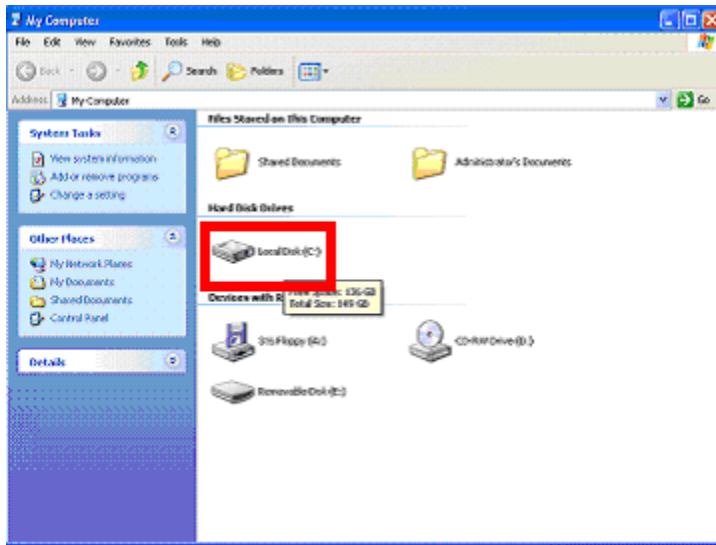


SHAZAM (without using WinSCP)

These instructions are intended for running the SHAZAM program in the Department of Economics' computer lab or any personal computer.

Step 1: Setting up a SHAZAM data file

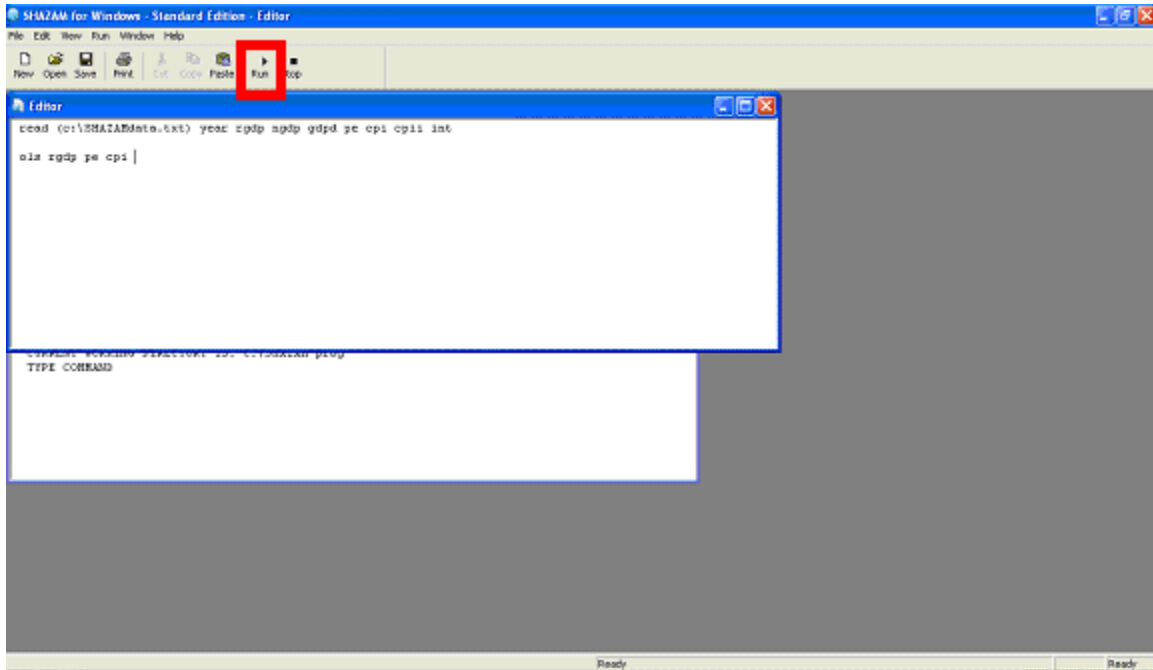
- Save data to the C-drive (c:\) using a text file
- Note: data should not include any variable headings (refer to “SHAZAM using WinSCP for details)



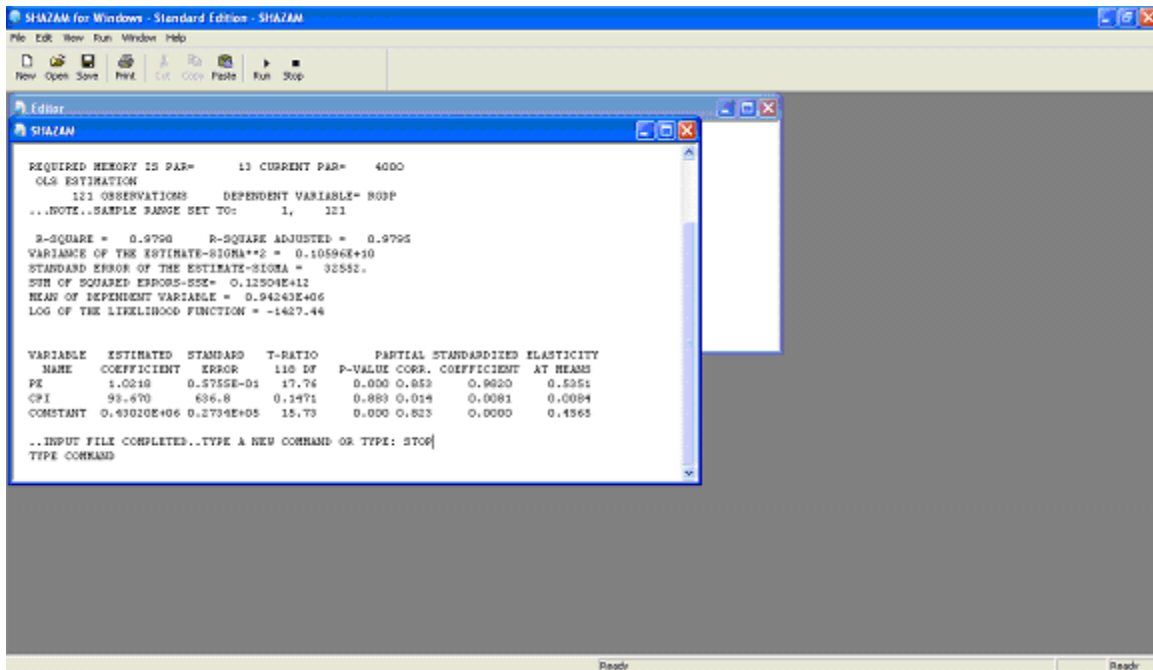
Step 2: Open the SHAZAM program by double-clicking the SHAZAM icon displayed on the desktop

Step 3: Select the “Editor” window and type all commands here

- the editor window allows you to write and edit all your SHAZAM commands
- after each command hit the “Enter” key twice to indicate that a new command is to follow
- after all commands have been added, select the “Run” button to execute the command file



- the resulting output will be displayed in the “SHAZAM” window



- save the “Editor” file for future use.

Example

You have been provided with a SHAZAMdata.txt file that holds the following data:

- *Year*,
- *rgdp* (real GDP),
- *ngdp* (nominal GDP),
- *gdpd* (GDP deflator),
- *pe* (Personal expenditure Current prices (x 1,000,000)),
- *cpi* (CPI(2002 =100)),
- *cpii* (CPI inflation)
- *int* (Tbill)

Let us run SHAZAM for the following regression:

$$rpe = \alpha + (\beta * rgdp) + (\chi * rint) + (\delta * cpii)$$

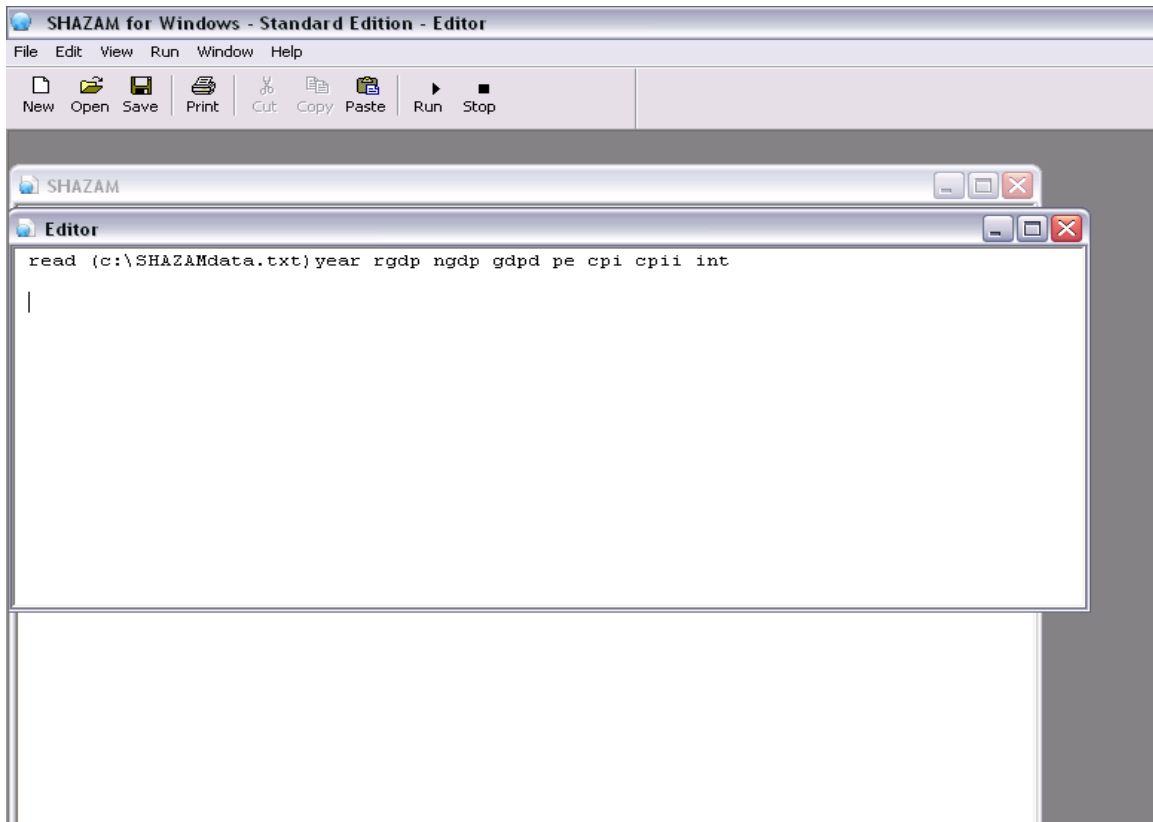
where:

- $rpe = (pe/gdpd)$
- $rint = (int - cpii)$

Step 1: Follow steps 1 through 3 of the instructions above

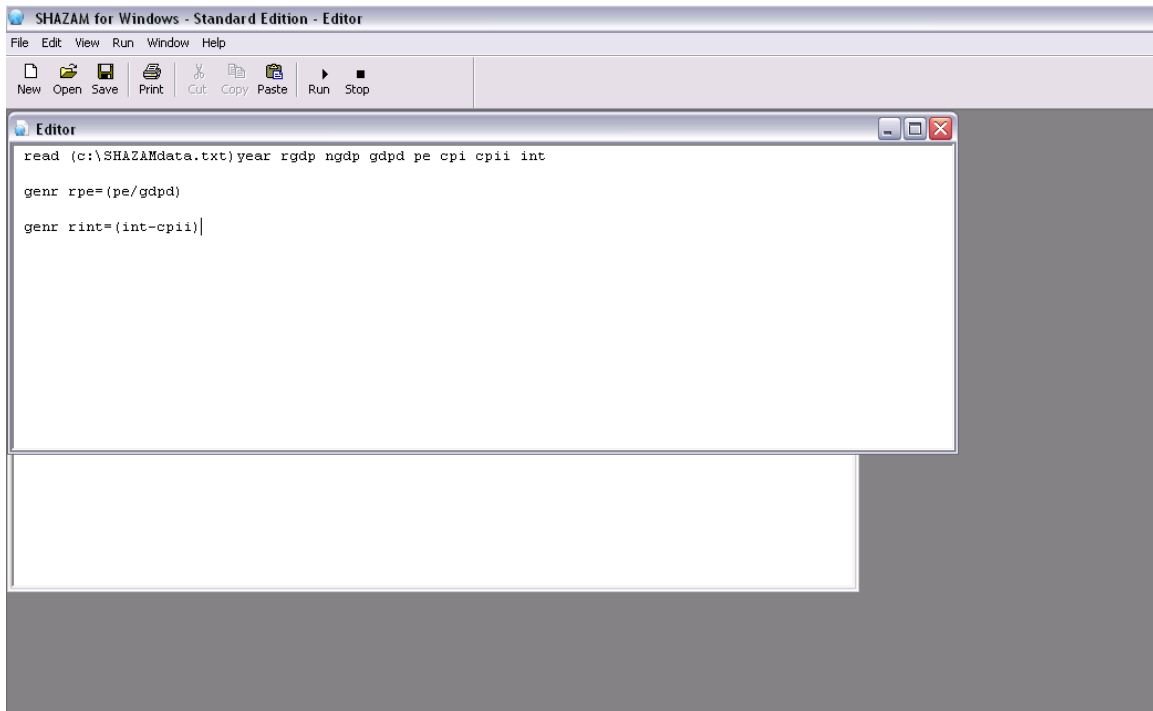
Step 2: Command SHAZAM to read your SHAZAMdata.txt data file by typing:

- “*read (c:\SHAZAMdata.txt) year rgdp ngdp gdpd pe cpi cpii int*”



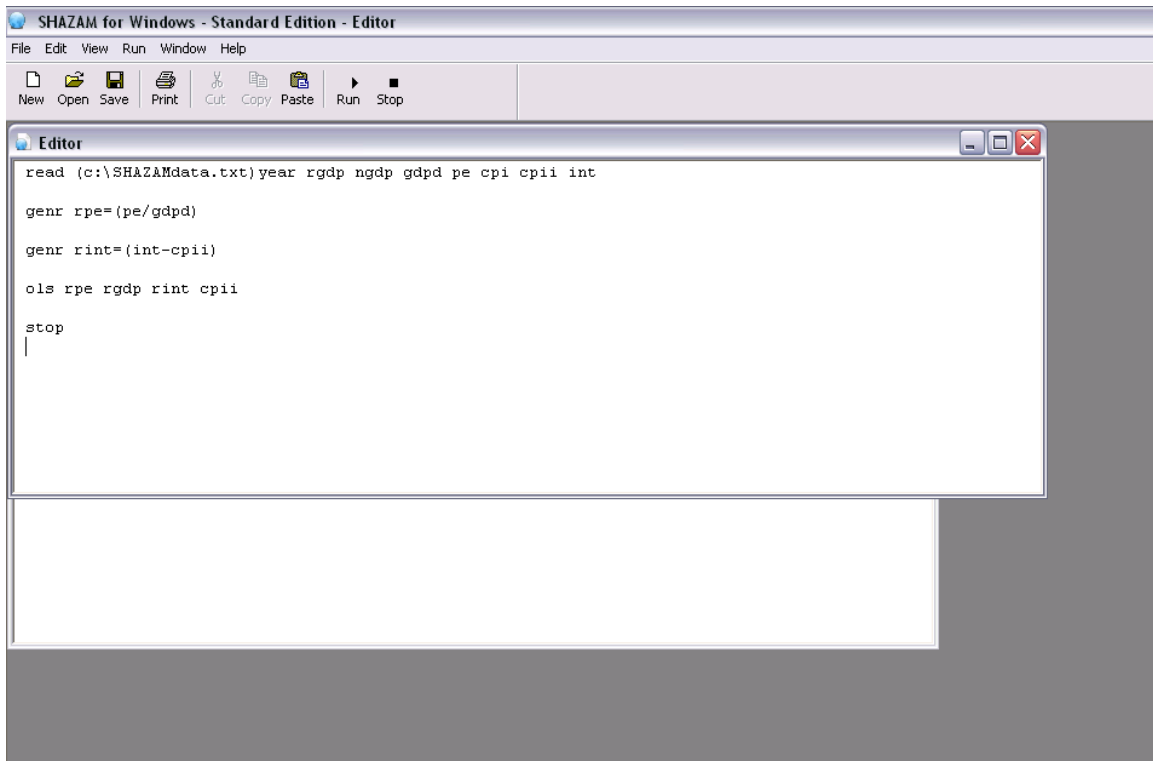
Step 3: Command SHAZAM to generate variables *rpe* and *rint* by typing:

- “*genr rpe=(pe/gdpd)*” and “*genr rint=(int-cpi)*” respectively.

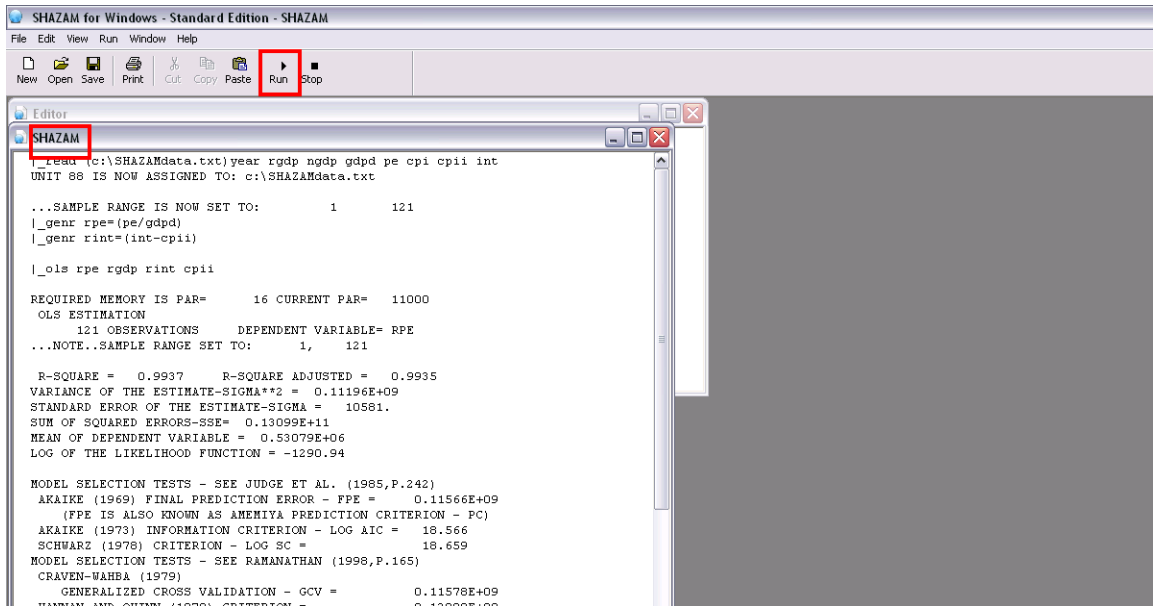


Step 4: Command SHAZAM to run the regression by typing:

- “*ols rpe rgdp rint cp11*” followed by the “*stop*” command to indicate the completion of your session.



Step 5: Select the “Run” button to execute your commands. You will find the resulting output in the “SHAZAM” window.



Step 6: Don't forget to save your work!