

# Accepted Manuscript

The Effects of  $q$  and Cash Flow on Investment in the Presence of Measurement Error

Andrew B. Abel

PII: S0304-405X(18)30044-8  
DOI: [10.1016/j.jfineco.2018.02.005](https://doi.org/10.1016/j.jfineco.2018.02.005)  
Reference: FINEC 2861

To appear in: *Journal of Financial Economics*

Received date: 15 January 2016  
Revised date: 28 November 2016  
Accepted date: 13 January 2017

Please cite this article as: Andrew B. Abel, The Effects of  $q$  and Cash Flow on Investment in the Presence of Measurement Error, *Journal of Financial Economics* (2018), doi: [10.1016/j.jfineco.2018.02.005](https://doi.org/10.1016/j.jfineco.2018.02.005)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



# The Effects of $q$ and Cash Flow on Investment in the Presence of Measurement Error\*

Andrew B. Abel<sup>†</sup>

Wharton School of the University of Pennsylvania

National Bureau of Economic Research

February 20, 2018

## Abstract

I analyze investment,  $q$ , and cash flow in a tractable stochastic model in which marginal  $q$  and average  $q$  are identically equal. I introduce classical measurement error and derive closed-form expressions for the coefficients in regressions of investment

---

\*Previous versions of this paper circulated under the title “The Analytics of Investment,  $q$ , and Cash Flow.” I thank Anna Cororaton, Mehran Ebrahimian, Marco Giometti, Joao Gomes, Christian Goulding, Richard Kihlstrom, Stavros Panageas, Michael Roberts, Colin Ward, and Toni Whited for helpful discussion, and I thank participants in seminars at University of California at Santa Barbara, University of Southern California, Columbia University, and the Penn Macro Lunch Group for helpful comments. Finally, I thank the editor, Toni Whited (in her editorial role in addition to discussion above) and two anonymous referees for comments that helped guide the revision.

<sup>†</sup>Corresponding author: Andrew B. Abel, Department of Finance, The Wharton School of the University of Pennsylvania, 3620 Locust Walk, Philadelphia, PA 19104-6367. Phone: 610-937-3163; Fax: 215-573-7244; abel@wharton.upenn.edu.

Download English Version:

<https://daneshyari.com/en/article/7361835>

Download Persian Version:

<https://daneshyari.com/article/7361835>

[Daneshyari.com](https://daneshyari.com)