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**CALAMVS GLADIO FORTIOR**

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A STUDY IN THE THEORY AND  
MEASUREMENT OF HOUSEHOLD LABOR SUPPLY

---- PROVISIONAL REPORT ----

by

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§VI A Synthetic Model of Labor Supply for type A Household

--Refinement of precision of the estimates of the parameters using the synthetic model--

So far, the analysis was focused on the wives' (non-principal potential earners') acceptance and rejection of employment opportunity offered by firms. There are, however, earning opportunities without being employed by the employers. As a matter of fact, a number of working wives other than employee (self-employed wives) are found in the FIES data. Hence, a comprehensive theory of labor supply should, originally, be able to treat the earning behavior of self-employed wives, too. From this point of view the theory of wives' (non principal potential earners') labor supply behavior developed so far is of the first

approximation in the sense that it describes wives' acceptance or rejection of employee status only. (I shall hereafter distinguish ~~—~~those two kinds of working wives(members) of households by ~~—~~using phrases employee wives and self employed wives).

We used the labor supply theory of first approximation of this kind in order to estimate preference parameters. The results of the examination in section (  $\bar{V}$  ) seems to show that we need a more precise theory of labor supply, that is, the theory of second approximation. As is mentioned above the second approximation theory should be able to clarify the behavior of self employed as well as employee wives.

In this context a more precise model of wives' labor supply is developed in this section.

[6.1] Labor supply model of ~~the~~ type A households constructed by taking into account wives' self-employed earning opportunities

The synthetic model of wives' labor supply for type A households should clarify the conditions by which participation status of wife (non principal potential earner) in a given household belongs to either of the following four patterns:

- (1) She (or non principal potential earner) is neither an employee nor self-employed.
- (2) She is not an employee but self-employed.
- (3) She is an employee but is not self-employed.
- (4) She is both an employee and self-employed.

Taking into account the results so far, let (1) the income leisure preference function be quadratic and (2) wife's income generating

function (production function) be linear, i.e., the marginal earning rate (marginal value productivity) with respect to wife's labor hour being a constant. Proposition (2) is introduced for the sake of brevity without impairing substantial characteristics of the model.

6.1-1. The determinants of wife's pattern of labor participation

Let us consider a group of type A households with a common level of principal earner's income,  $I$  (Fig. M-1). Let the marginal earning rate (marginal value productivity of wife's self-employed work) be  $v$  which is supposed to be common to all the households considered.

The wage rate offered by firms to the wives of the households and assigned hours of work are denoted by  $w$  and  $\bar{h}$  respectively which are supposed to be common to all the households considered.

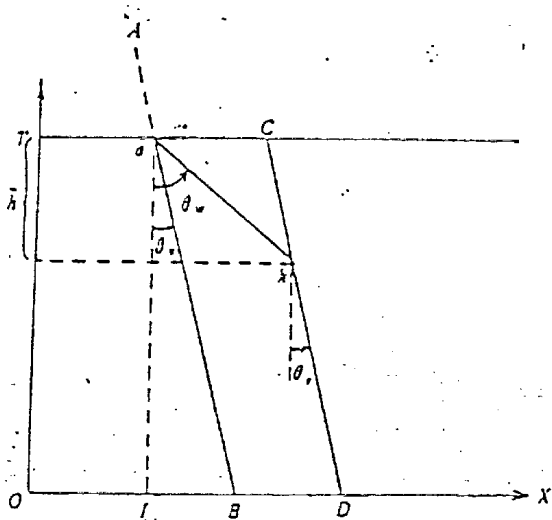
In Fig. M-1  $\tan \theta_w^s$  and  $\tan \theta_v^s$  stand for  $w$  and  $v$  respectively. When the wife accepts an employee opportunity, her income-leisure position is given by point  $k$ .  $CD$  is the line passing through point  $k$  and parallel to  $AB$ ,  $AB$  being a line of generating self-employed income. If the wife accepts the employee opportunity and further works as self-employed, household income will be augmented along with the line  $kD$ .

Now consider a contour passing through point  $a$ . The gradient of the contour at point  $a$ ,  $|dx/d\lambda|_a^i$ , will vary among the households considered due to the difference of income-leisure preference among them.

Let us call the sub group of households  $i$  with

$$1) \quad |dx/d\lambda|_a^i > v$$

Fig. VI - 1



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the group I, and the sub group of households j with

$$2) \left| \frac{dx}{d\lambda} \right|_a^j < v$$

the group II.

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It will be clearly seen that household i included in group I is a household for which there is no tangency point of contour on the line aB, while there is the tangency point of contour on the line aB for a household included in group II. It will be needless to say that household with  $\left| \frac{d\lambda}{d\lambda} \right|_a = v$  is the one in which the tangency point lies just on point a.

holds  
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As to the households of group II, tangency point of contour lies below point a on the line aB. On the other hand, for the households of group I, there is no tangency point between the points a and B. For those households the tangency point will be situated at some point on the dotted line Aa which is in an ineffective zone of the indifference map.

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### 1.1.1 Wives' participation behavior in the households of group I.

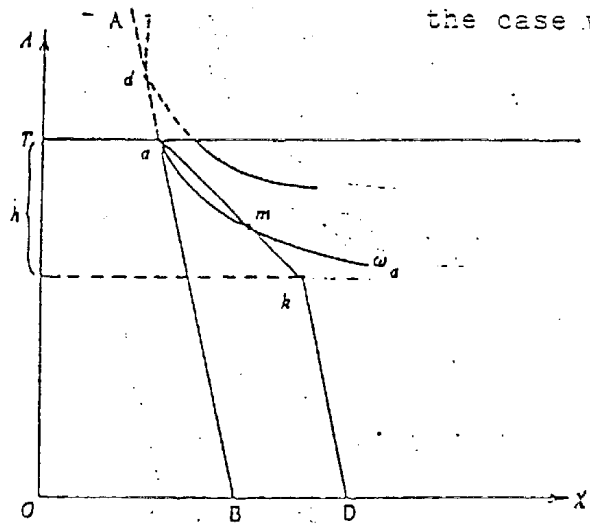
#### 1.1.1.1 - 1 -

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In Fig <sup>1/2</sup> a contour  $w_a$  of household in group I is depicted. Tangency point of aB and contour is shown by point d in the ineffective zone of the indifference map.

Let the intersection point of  $w_a$  and ak be m. In Fig <sup>1/2</sup> point m is situated above point k on the line ak. First we shall examine the behavior of a wife of household with such a contour  $w_a$  as is shown in Fig <sup>1/2</sup>. When the wife accepts an employee opportunity her income-leisure situation is given by point k. Her situation is shown by point a if she neither accepts the opportunity nor works

Fig VI-2.



the case where a is selected



to earn her self-employed income. When the wife participates both in the employee opportunity and the work for earning self-employed income her situation is shown by some point between k and D on the line kD. (By the definition of group I, a household wife does not participate in the work for earning self-employed income only that is, does not situate between a and B).

Among those three situations point a is clearly the best one because point a lies on the contour with highest utility indicator compared to point k and any points between k and D. Hence, point a is chosen by this kind of household (wife).

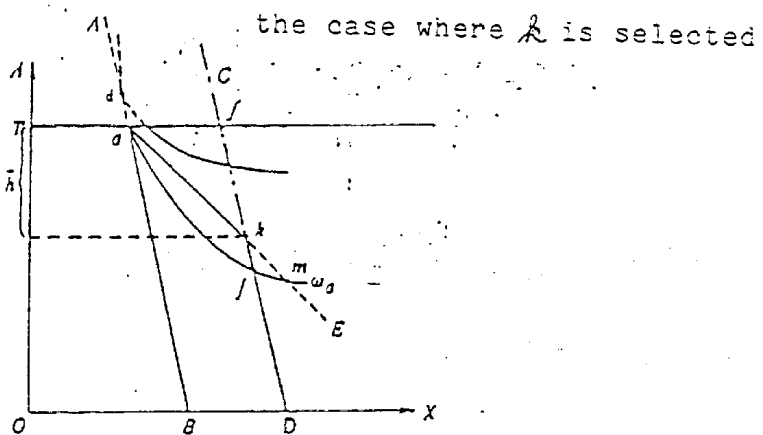
6-1.1.1.-2-

In Fig  <sup>$\pi$</sup> 3 the indifference curve of ~~the~~ <sup>a</sup> household in which the intersection point, m, of contour passing through point a,  $\omega_a$ , and the line aE lies below point k.

If the wife in a household of this kind participated both in an employee opportunity and in self employed work her income-leisure situation would be given by the tangency point of contour and line kD somewhere between k and J, as the hours of work for earning self-employed income can be adjusted as the supplier(wife) desires contrary to the case in which a wife is an employee.

It should be noted, however, that there does not exist any tangency point on the indifference curve and line between the points k and J on the line cD. If there were a tangency point, g, which is not shown in Fig  <sup>$\pi$</sup> 3, it would be said that, when the principal earners income is  $Tf$  (in Fig  <sup>$\pi$</sup> 3), the non principal earner's (wife's) optimal hours of work for the wage rate  $v$  ( $=\tan\sigma_v$ ) is given by

Fig VI-3



the ordinate difference of point f and g. If such a case occurs it would be clear that, by comparing points d and g, the larger the principal earners income the longer the nonprincipal earner's (wife's) optimal hours of work, the nonprincipal earners wage rate  $v$  being given. This means, under the assumption of quadratic preference function, that the locus of  $MNE\bar{L}S$  (see section <3.34>) on the  $X \sim \bar{\Lambda}$  plane is downward sloping. However, the downward sloping locus is evidently inconsistent with the observed facts, <sup>that is,</sup> downward sloping participation rate <sup>is</sup> curve, as has been discussed in section <3.2.5>.

Hence, it was proved that, under the assumption of quadratic preference function, there should be no tangency point between points k and J for the consistency between the model and the observation.

By the examination mentioned above, any points between k and J lie on the indifference curves with inferior values of <sup>utility</sup> indicator compared to the indifference curve passing through point k. It is clearly seen that point k is preferable to point a. Hence point k is preferred, that is, the wife of the household with such a indifference map as is shown in Fig 3. <sup>4</sup> accepts the employee opportunity and does not earn an additional self-employed income.

#### 6.1.1.2 Wives' participation behavior in the households of group II.

In a household of group II there exists a tangency point of line aB and indifference curve, d, as shown in Fig 4.

##### 6-1.1.2-1- Household in which tangency point, d, lies between points a and P.

Let the intersection point of line aB and horizontal line passing

through point  $k$  be denoted by  $P$  as shown in Fig<sup>π-</sup> 4. Consider a household in which the tangency point,  $d$ , lies somewhere between points  $a$  and  $P$ . For this type of household, let the crossing point of  $W_a$  and  $ak$  be denoted by  $m'$ .

6-1.1.2-1-1- In the first place consider a household in which point  $m'$  lies above point  $k$  as is shown in Fig<sup>π-</sup> 4.

The wife (non-principal potential earner) of this kind of household prefers point  $d$ , because  $d$  is situated on the indifference curve with the highest indicator among the points  $k$ ,  $a$ , and all the points between  $k$  and  $D$ . Hence, she works for earning self-employed income<sup>only</sup> and does not accept employee opportunities.

6-1.1.2-1-2-

Let the extension of line  $ak$  be  $kF$  (dotted line) in Fig<sup>π-</sup> 5. An intersection point of  $kF$  and contour  $\omega d$  is denoted by  $m'$ . Consider a household in which point  $m'$  lies below point  $k$  as shown in Fig<sup>π-</sup> 5.

The wife (non-principal potential earner) in this type of household will never choose any points between  $k$  and  $j$ . If she chooses those points it would mean that she is both an employee and self-employed. But a closer look will show such a case can not occur. If she chooses any point between  $k$  and  $J$ , this point would have to be a tangency point. However there could not be any tangency point between  $k$  and  $J$  because of the requirement of the upward sloping  $MHLS$  locus which must be fulfilled on account of the consistency between the model and the observation, as was shown in section <3.2.5>. Hence,  $d$  is preferred<sup>r</sup> to  $a$ , and any points between  $k$  and  $J$  are preferred<sup>r</sup> to  $d$ , therefore  $k$  is preferred to the points between  $k$  and  $J$ . That is, the wife will be an employee and will not work for a self-employed income.

Fig VI-4

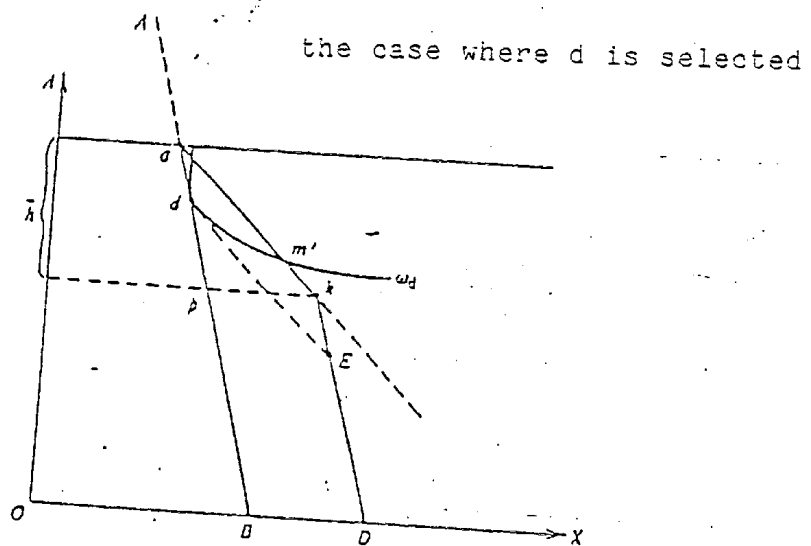
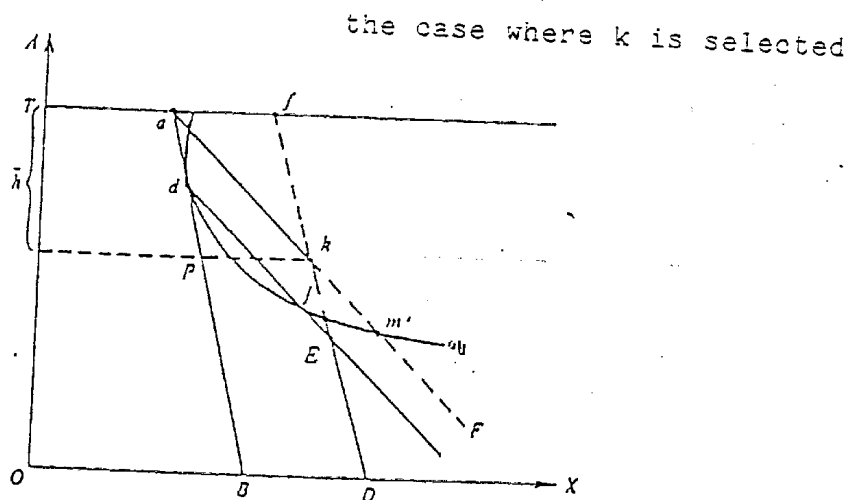


Fig VI-5



6-1.1.2-2- Household in which point  $d$  lies between points  $p$  and  $B$ .

An indifference map of this kind of household is depicted in Fig 6. For this kind of household two types of households are further discriminated from each other.

6-1.1.2-2-1 In Fig 6 point  $e$  is a tangency point of the indifference curve and the line  $fk$  which is the extension of line  $kD$ . Consider a household indifference map which has such characteristics that there exists a tangency point between the indifference curve and the line  $fk$ .

For this kind of household all the points between  $k$  and  $D$  on the line  $kD$  are situated on the indifference curves with minor indicators compared to the indifference curve on which point  $k$  lies, because the gradient of contour at point  $k$ ,  $\left| \frac{dx}{d\lambda} \right|_k$ , to the vertical axis is larger than that of line  $kD$  to the vertical axis.

Hence, among points  $a$ ,  $d$ ,  $k$  and all the points between  $k$  and  $D$ ,  $d$  is preferred to  $a$  and all the points between  $k$  and  $D$  is preferred to  $d$ , and  $k$  is preferred to all the points between  $k$  and  $D$ ; thus  $k$  is preferred. This means that the wife (non principal potential earner) of this household accepts <sup>the</sup> an employee opportunity only and has no self-employed income.

6-1.1.2-2-2- Consider a household in which point  $e$  lies below point  $k$ . The indifference map of this kind of household is depicted in Fig VI-7.

It will clearly be seen  $e$  is preferred to  $a$ ,  $d$  and  $k$ . Hence, the wife (non principal potential earner) will accept the employee opportunity and at the same time she will work for the self-employed income.

Fig VI - 6

the case where k is selected

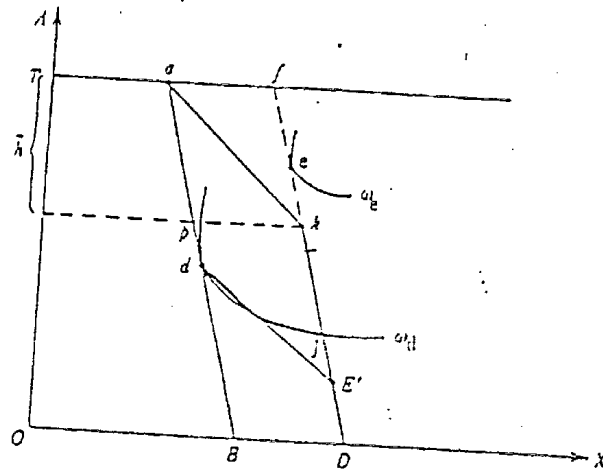
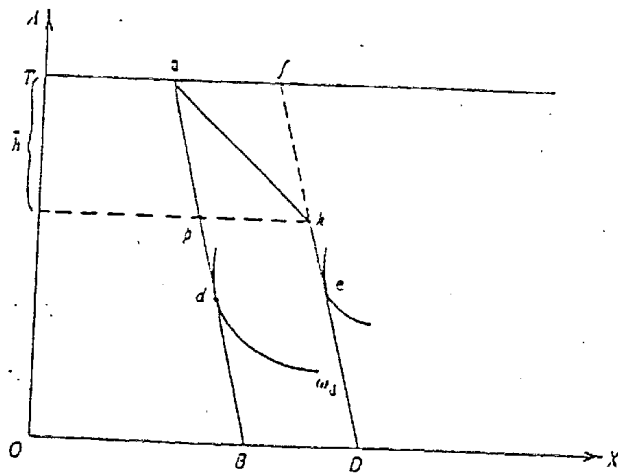


Fig VI - 7

the case where e is selected



6.1.2 Labor participation Model of type A Household.

6.1.2.1 Summary on the patterns of wives' labor participation.

The patterns of wives' labor participation behavior discussed in the previous section, 6.1.1 is summarized in Tab. IV-1.

Tab. IV-1 -

1. group I Households with point d above a	1-1 Households with m above k.	→ point a is preferred (no participation both in employee opportunity and self employed work)
	1-2 Households with m below k	→ point k is preferred (accepts employee oppor- tunity but no partici- pation in self employed work)
2. group II Households with point d below a	2-1 Households with point d between a and p	2-1-1 households with point m' above k → point d is preferred (earning of self-employed income only)
		2-1-2 households with point m' below k → point k is preferred (earning from employee opportunity only.)
	2-2 Households with point d between p and B	2-2-1 households with point e above k → k is preferred (earning from being employee oppo- rtunity only)
		2-2-2 households with point e below k → e is preferred (earning from both employee oppo- rtunity and self-employed)



Now, let us denote the coordinates of point  $d$ ,  $m$ ,  $m'$  and  $e$  with regard to hours of work by  $H(d)$ ,  $H(m)$ ,  $H(m')$  and  $H(e)$  respectively. The coordinates of both points  $k$  and  $d$  with respect to hours of work are  $\bar{h}$  (hours of work assigned by firms). The coordinates of both points  $B$  and  $D$  with respect to hours of work are  $T$  which stands for the wife's (non principal potential earner's) total disposable time (composed of leisure and hours of work if any). Hours of work for earning self-employed income and that for earning from employee opportunity are denoted by  $x^H_d$  and  $x^U_d$  respectively. The coordinates of point  $a$  with respect to hours of work is zero.

Making use of these notations, the conditions in Tab<sup>W</sup>1 is rewritten as shown in Tab<sup>W</sup>2.

Tab.<sup>W</sup>2

(1) Households with $H(d) < 0$	(1-1) households with $H(m) < \bar{h}$	$x^H_d = 0, x^U_d = 0$	case ①
	(1-2) households with $H(m) > \bar{h}$	$x^H_d = \bar{h}, x^U_d = 0$	②
(2) Households with $H(d) > 0$	(2-1) households with $H(h) < \bar{h}$	$\left\{ \begin{array}{l} (2.1.1) \text{ households with } H(m') < \bar{h} \\ x^H_d = 0, x^U_d > 0 \end{array} \right.$	③
		$\left\{ \begin{array}{l} (2.1.2) \text{ households with } H(m') > \bar{h} \\ x^H_d = \bar{h}, x^U_d = 0 \end{array} \right.$	④
	(2-2) households with $H(d) > \bar{h}$	$\left\{ \begin{array}{l} (2.2.1) \text{ households with } H(e) < \bar{h} \\ x^H_d = \bar{h}, x^U_d = 0 \end{array} \right.$	⑤
		$\left\{ \begin{array}{l} (2.2.2) \text{ households with } H(e) > \bar{h} \\ x^H_d = \bar{h}, x^U_d > 0 \end{array} \right.$	⑥

6.1.2.2 The Relation between  $H(m)$  and  $H(d)$  for the households with  $H(d) < 0$ .

In order to construct the synthetic model for type A households, we shall first consider a group of households with  $H(d) < 0$ .

With regard to the determinants of participation behavior of this kind of household the position of point  $m$  in relation to the position of point  $d$  in Fig. <sup>VI</sup>2 is fundamentally important. Let the relation of  $H(m)$  to  $H(d)$  be

$$1) H(m) = \phi [H(d)]$$

where

$$2) H(d) < 0.$$

A concrete analytical form of  $\phi$  is given in the subsequent section.

6.1.2.3 The Relation between  $H(m')$  and  $H(d)$  for the households with  $\bar{h} > H(d) > 0$ .

For the households where  $H(d) > 0$  holds the position of point  $m'$  in Fig. VI-4 and 5 is important. Let the relation between  $H(m')$  and  $H(d)$  be denoted by

$$3) H(m') = f[H(d)]$$

where

$$4) \bar{h} > H(d) > 0.$$

An analytical form of  $f$  is given in the subsequent section.

6.1.2.4 The Relation between  $H(d)$  and  $H(e)$  for the Households with  $H(d) > \bar{h}$ .

For this kind of household the position of  $e$  is also important. Let the relation between  $H(e)$  and  $H(d)$  be

$$5) H(e) = \psi [H(d)]$$

where

$$6) H(d) > \bar{h}.$$

The analytical form of  $\psi$  is given in the subsequent section.

#### 6.1.2.5 On the graphs of functions $\phi$ , $f$ and $\psi$ .

The functions  $\psi$ ,  $f$  and  $\phi$  assumed to be monotonic are depicted by the curves  $\alpha\alpha'$ ,  $\alpha'\beta$  and  $\gamma\gamma'$  respectively in Fig VI-8 and VI-9. It should be noted that curve  $\alpha\alpha'$  standing for  $\psi$  and  $\alpha'\beta$  standing for  $f$  have a point of conjunction,  $\alpha'$ , because when  $H(d) = 0$ ,  $f[H(d)] = \psi[H(d)]$  holds, as can be seen in Fig VI-3 and 4. Fig VI-8 differs from Fig VI-9 in that point  $\alpha'$  lies above point  $\bar{h}$  on the vertical axis in the former while point  $\alpha'$  lies below point  $\bar{h}$  in the latter.

We shall begin by examining Fig VI-8. The numbers attached to the curves correspond to those in the column of Tab. VI-2. It should be remarked that the participation pattern denoted by ③ does not occur when functions  $\psi$  and  $\phi$  are of the shape shown in Fig VI-8. Pattern ③ is for self-employed wives only, not wives who are employees. However, according to the observation, a pattern such as ③ does exist. Hence, since the shapes of the curves shown in Fig VI-8 are not consistent with observation, they should be excluded.

Another possible shape of the curves is shown in Fig VI-9. In this figure it can be seen that pattern ③ exists. Although pattern ② does not appear in this figure patterns ④ and ⑤ are quite the same as ②. Hence all the participation patterns observed for type A household appear in Fig VI-9. In this sense the shapes of functions (curves) of  $\psi$ ,  $f$  and  $\phi$  in Fig VI-9 are consistent with observation.

Fig VI-8

the case where the shapes of the curves are not consistent with observation

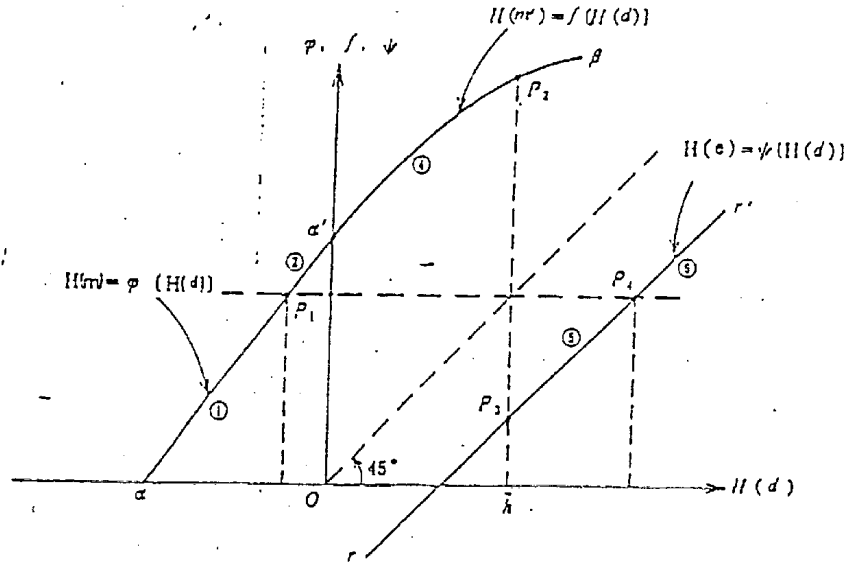


Fig VI-9

the case where the shapes of the curves are consistent with observation

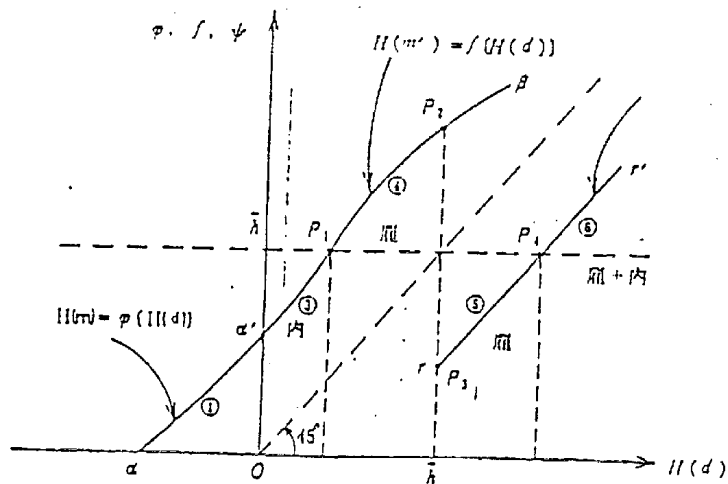


Fig VI-10 (A)

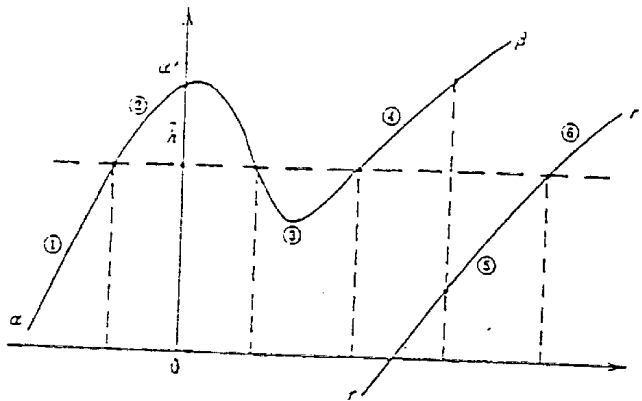


Fig VI-10 (B)

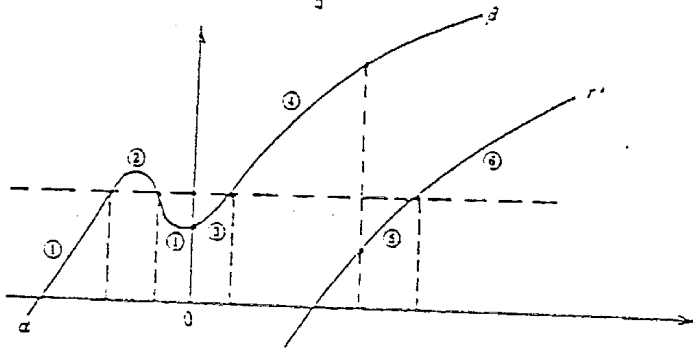
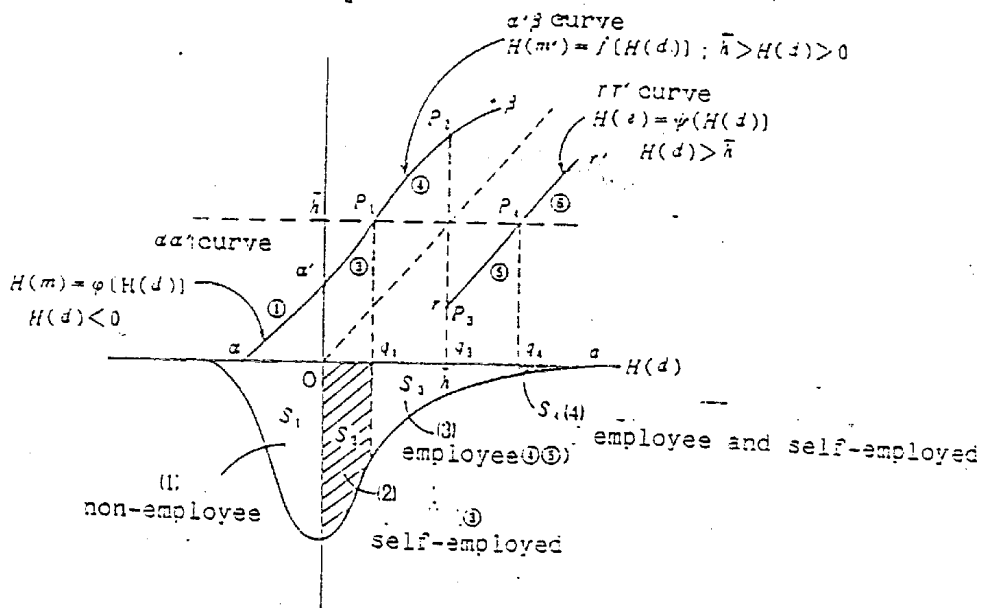


Fig VI-11



Taking into account the results in section <sup>6</sup>1.2.5, it will be seen that the participation patterns generated from Fig VI-3 and VI-4 are exclusive of each other. This is due to that we employed the curves  $\alpha\alpha'$  and  $\alpha\beta$  are upward sloping monotonic curves. This specific characteristics of the curves stems from the postulate that the preference function is approximated by quadratic function.

Contrary to the upward sloping monotonic curves, the shape of curve  $\alpha\alpha'\beta$ , as shown in Fig. 10(A) or 10(B) might be conceivable. In Fig. 10(C), function  $f$  is not monotonic. In Fig. 10(D), function  $g$  is not monotonic. In these figures, it can be seen, both cases (B) and (D) in Tab. VII-2 (or the cases shown in Fig. VI-3 and VII-4) can coexist.

However, quadratic preference function does not yield such cases as shown in 10(A) or (C).

#### 6.1.2.6 Probabilities of generating various participation patterns in type A Households.

In this section the determining of the probabilities of generating four patterns of participation in type A household will be clarified when principal earner's (husband's) income,  $I$ , wage rate,  $w$ , and hours of work assigned by firms,  $\bar{h}$ , and earning rate of self-employed work,  $v$ , for non-principal potential earner (wife) are given.

The first and second quadrants of Fig <sup>7-11</sup> 9 depict the same curves shown in Fig 9. The density distribution curve of  $H(d)$  is depicted in the third and the fourth quadrants. This distribution reflects the differences in magnitudes of preference parameters among households where the common values of  $I$ ,  $w$ ,  $v$  and  $\bar{h}$  are given respectively.

Taking into account the results summarized in Tab VII 2, it will clearly be seen area  $S$ , under the distribution curve, gives the probability that the wife (non-principal potential earner) is neither an employee nor self-employed. This is the probability that pattern (1) in Tab VII 2 occurs. Let us call  $S_p$ , the probability of non-participation.

7-11

Area  $S_2$  in Fig ~~F1~~ gives the probability that participation pattern (3) in Tab. V-2 occurs. This is the probability that the wife engages in self-employed work only without accepting employee opportunity. Let us call this probability the probability of self-employment participation,  $\mu_d$ , where

$$\mu_d = \frac{\text{number of self employed wives without accepting employee opportunity}}{\text{number of wives}}$$

Area  $S_3$  gives the probability that either participation pattern (4) or (5) in Tab. ~~V-2~~ occurs. Here it should be noted (4) and (5) are the same pattern. Let us call this probability the probability of accepting employee opportunity without self-employed work, or in short probability of employee,  $\mu_e$ ,

where

$$\mu_e = \frac{\text{number of wives accepting employee opportunity without self-employed work}}{\text{number of wives.}}$$

Area  $S_4$  stands for the probability that participation pattern (6) in Tab. V-2 occurs. Let us call this probability the probability of double participation,  $\mu_{ed}$ ,

where

$$\mu_{ed} = \frac{\text{number of wives participating both self-employed work and employee opportunity}}{\text{number of wives.}}$$

It will be needless to say that

$$\begin{array}{l} \text{non-participation} \\ \text{probability} \end{array} + \mu_d + \mu_e + \mu_{ed} = 1.$$

Prior to drawing the curves in Fig. 11 the values of  $I$ ,  $w$ ,  $\bar{h}$  and  $v$  have to be given. That is, when these conditions change the shape of all the curves change simultaneously and, in effect, the areas  $s_i$  ( $i=1,2,3,4$ ) or magnitude of  $\mu_d$ ,  $\mu_e$  and  $\mu_{ed}$  change. Hence analytical forms of the function  $\Psi$ ,  $f$ ,  $\bar{\phi}$  and the size distribution function of  $H(d)$  have to be known in order to describe the changes in participation probabilities corresponding to the changes in  $I$ ,  $w$ ,  $h$  and  $v$ . This will be discussed in the following section.

### 6.1.2.7 Analytical Forms of Functions $\phi$ , $f$ , and $\Psi$

In this section analytical forms of  $\phi$ ,  $f$ , and  $\Psi$  are determined making use of quadratic preference function. All the available information including plausibility of variational  $\gamma$ -model, previously obtained in the analysis of the model of first approximation, are taken into account in the process of determining analytical forms of those functions.

#### 6.1.2.7.1 Analytical Form of $\phi$

6.1.2.7.-1-1. In order to obtain concrete form of  $\phi$  it is necessary to calculate the coordinates of point  $\bar{a}$  in Fig. 2 or 3. The equation of line  $\bar{a}\bar{b}$  is given by

$\bar{a}\bar{b}$



$$1) X = I + vh$$

where h and X stand for hours of work (for employee opportunity and/or self-employed work) and household's income respectively. v stands for the earning rate of self-employed work.

The preference function  $\omega$  is given by

$$2) \omega = \frac{1}{2} \gamma_1 X^2 + \gamma_2 X + \gamma_3 X \Lambda + \gamma_4 \Lambda + \frac{1}{2} \gamma_5 \Lambda^2$$

where

$$\Lambda \equiv T - h .$$

Under the constraint of (1), (2) is maximized with respect to h. When the value of h maximizing  $\omega$  is negative that value of h stands for H(d) in the function  $\Phi$ . This stems from the fact that the indifference maps shown in Fig. VI-2 or 3 are the maps of households with such  $\gamma_4$  that makes tangency point, d, on AB situate in ineffective range.

Hence, we obtain

$$3) H(d) = \frac{-(\gamma_1 v - \gamma_3) I - v(\gamma_2 + \gamma_3 T) + \gamma_4 + \gamma_5 T}{\gamma_1 v - 2\gamma_3 v + \gamma_5}$$

where

$$H(d) < 0 .$$

The value of H(d) varies among households with given I, w,  $\bar{E}$  and v owing to the difference in  $\gamma_4$  of each household. Hence the size distribution of  $\gamma_4$  can be easily transformed to that of H(d) by using equation (3).

6.1.2.7.1-2. The equation of indifference curve  $\omega$  in Fig. 2 and 3 can be obtained as follows. By inserting the values of ordinates of point a in Fig. 2 and 3,

$$4) X = I$$

$$5) \Lambda = T,$$

into the left hand side of preference function (2), we obtain the value of indicator  $\omega_a$  at point a,

$$6) \omega_a = \frac{1}{z} \gamma_1 I^2 + \gamma_2 I + \gamma_3 IT + \gamma_4 T + \frac{1}{z} \gamma_5 T^2,$$

I and T being given. Hence, the equation of indifference curve  $\omega_a$  can be written as

$$7) \omega_a = \frac{1}{z} \gamma_1 X^2 + \gamma_2 X + \gamma_3 X \Lambda + \gamma_4 \Lambda + \frac{1}{z} \gamma_5 \Lambda^2,$$

where the  $\omega_a$  is given by (6).

6/27  
-1-3 Finally let us obtain the ordinate of point m in Fig 2 and 3.

The equation of line ak is given by

$$8) X = I + wh.$$

We can solve (8) together with (7) for h. The solution is the coordinate of point m with respect to hours of work,  $H(m)$ , that is,

$$9) H(m) = \frac{(-\gamma_1 W + \gamma_2) I - W(\gamma_2 + \gamma_3 T) + \gamma_4 + \gamma_5 I}{\frac{1}{z} (\gamma_1 W^2 - z \gamma_3 W + \gamma_5)}$$

It will be seen that magnitude of  $H(m)$  varies among households considered owing to differences in  $\gamma_4$  of each household.

6/27  
-1-4 Now, we are ready to get a concrete form of function  $\phi$ . The parameter  $\gamma_4$ , the magnitude of which is supposed to vary among households, is included both in equations (9) and (3). Hence, by eliminating common parameter  $\gamma_4$  both in (9) and (3) we obtain a relation between  $H(m)$  and  $H(d)$ ,

$$(10) H(m) = \frac{z(\gamma_1 V^2 - z \gamma_3 V + \gamma_5)}{\gamma_1 W^2 - z \gamma_3 W + \gamma_5} H(d) + \frac{z(V-W)(\gamma_1 I + \gamma_2 + \gamma_3 T)}{\gamma_1 W^2 - z \gamma_3 W + \gamma_5},$$

where  $H(d) < 0$ .

$\phi$

This is the function  $\phi$  when the preference function is quadratic.

6.27

2. Analytical Form of function f

Function f stands for a relation between point m' and d in Fig. 4 and 5.

Coordinate of point d,  $H(d)$ , is previously given by (3),

$$3) \quad H(d) = \frac{-(\gamma_1 V - \gamma_3)I - V(\gamma_2 + \gamma_3 T) + \gamma_4 + \gamma_5 T}{\gamma_1 V^2 - 2\gamma_3 V + \gamma_5}$$

However, with regard to the case shown in Fig. 4 and 5, it should be noted that contrary to the previous case,

$$3') \quad H(d) > 0 .$$

That is, the magnitudes of parameter of preference function  $\gamma_4$ , which generates the indifference curve as shown Fig. 4 and 5 must be of a value which makes the right hand side of equation (3) positive.

6.27.2-1 We shall obtain the equation of  $\omega_d$  in Fig. 4 and 5.

The coordinates of point d are given by

$$11) \quad X = I + vH(d)$$

$$12) \quad \wedge = T - H(d)$$

where  $H(d)$  is given by (3). Inserting (11) and (12) in to (2) we have

$$13) \quad \omega_d = \frac{1}{2} \gamma_1 [I + vH(d)]^2 + \gamma_2 [I + vH(d)] + \gamma_3 [I + vH(d)][T - H(d)] + \gamma_4 [T - H(d)] + \frac{1}{2} \gamma_5 [T - H(d)]^2 .$$

Given  $I$  and  $v$ , the value of  $\omega_d$  in (13) is specific to each household with specific value of  $\gamma_4$ .

The equation of contour  $\omega_d$  in Fig. 4 and 5 is given by

$$14) \quad \omega_d = \frac{1}{2} \gamma_1 X^2 + \gamma_2 X + \gamma_3 X \Lambda + \gamma_4 \Lambda + \frac{1}{2} \gamma_5 \Lambda^2,$$

where  $\omega_d$  is given by (13).

The equation of segment  $ak$  or that of extension of the segment is given by

$$15) \quad X = I + wh \quad ; \quad T - \Lambda = h.$$

Hence, we can obtain the ordinate of point  $m'$  by solving (14) and (15) simultaneously with respect to  $h$ . By denoting this solution  $H(m')$  we have

$$16) \quad H(m') = \frac{-1}{\gamma_1 W^2 - 2\gamma_3 W + \gamma_5} \left[ I(\gamma_1 W - \gamma_3) + (\gamma_2 + \gamma_3 T)W - \gamma_4 - \gamma_5 T \right] \\ \pm \left[ \left[ I(\gamma_1 W - \gamma_3) + (\gamma_2 + \gamma_3 T)W - \gamma_4 - \gamma_5 T \right]^2 - 2(\gamma_1 W^2 - 2\gamma_3 W + \gamma_5) \right. \\ \times \left[ \frac{1}{2} \gamma_1 I^2 + (\gamma_2 + \gamma_3 I)I + \gamma_4 T + \frac{1}{2} \gamma_5 T^2 - \left[ \frac{1}{2} \gamma_1 (I + vH(d))^2 \right. \right. \\ \left. \left. + \gamma_2 (I + vH(d)) + \gamma_3 (I + vH(d))(T - H(d)) + \gamma_4 (T - H(d)) + \frac{1}{2} \gamma_5 (T - H(d))^2 \right] \right] \\ \left. \right]^{1/2} \\ \frac{1}{\gamma_1 W^2 - 2\gamma_3 W + \gamma_5},$$

where  $H(d)$  is given by (3).

By examining Fig. 4 and 5, the algebraically larger root among the two given by (16) is adopted as the value of  $H(m')$ .

2.2-2 Finally we shall deduce function  $f$ .

By eliminating the common parameter  $\gamma_4$  included in both (16) (~~(16')~~) and (3), we have

$$17) H(m') = \frac{-k - \sqrt{D}}{\gamma_1 W^2 - 2\gamma_3 W + \gamma_5},$$

and,

$$K \equiv (w-v)(\gamma_1 I + \gamma_2 + \gamma_3 T) - (\gamma_1 v^2 - 2\gamma_3 v + \gamma_5) \frac{1}{h_d^*}$$

$$D \equiv (w-v) \left\{ (w-v)(\gamma_1 I + \gamma_2 + \gamma_3 T)^2 - 2(\gamma_1 I + \gamma_3 + \gamma_3 T)(\gamma_1 v^2 - 2\gamma_3 v + \gamma_5) \frac{1}{h_d^*} + (\gamma_1 v^2 - 2\gamma_3 v + \gamma_5) [2\gamma_3 - \gamma_1(w-v)] (h_d^*)^2 \right\},$$

where  $h_d^*$  is the abbreviation of  $\bar{H}(d)$  given by (3). Equation (17) is the function  $f$  when the preference function  $w$  is quadratic.

6.127

### .3 Analytical Form of function $\psi$

Function  $\psi$  stands for the relation between point  $d$  and  $e$  in Fig. 6 and 7.

6.127

.3-1 Firstly the coordinate of  $H(d)$  is given by

$$(3) H(d) = \frac{-(\gamma_1 v - \gamma_3)I - v(\gamma_2 + \gamma_3 T) + \gamma_4 + \gamma_5 T}{\gamma_1 v^2 - 2\gamma_3 v + \gamma_5}$$

as previously shown in 6.127-1. However,

$$(3') H(d) > \bar{h}$$

must be held here, in order that point  $d$  lies below  $p$  in Fig. 6 and 7.

6.127

.3-2 In the second place we shall obtain the coordinate of point  $e$ .

Taking into account that the coordinates of point  $k$  is given by

$$(17) X = I + w\bar{h}$$

and

$$(18) \Lambda = T - \bar{h},$$

the equation of line  $fd$  passing through point  $k$  is written as

$$(19) X = I + (w - v)\bar{h} + v\bar{h},$$

where  $\bar{h}$  stands for the coordinate of hours of work on the line  $fd$ .

Under the constraint of (19), we shall obtain the value of  $h$  maximizing  $\omega$  in (2). This value of  $h$  is  $H(e)$ . Hence we have

$$(20) \quad H(e) = \frac{-(r_1 v - r_3)(1 + w - v)\bar{h} - v(r_2 + r_3 T) + r_4 + r_5 T}{r_1 v^2 - 2 r_3 v + r_5}$$

6.127.3-3 We are ready to get analytical form of  $\psi$ :

That is, by elimination of  $\gamma_4$  included in both (3) and (20), the relation between  $H(d)$  and  $H(e)$ .

$$(21) \quad H(e) = H(d) - \frac{(r_1 v - r_3)(w - v)\bar{h}}{r_1 v^2 - 2 r_3 v + r_5} \quad \text{--- function } \psi$$

where

$$H(d) > \bar{h}, \quad \text{and} \quad w > v,$$

is obtained. This is <sup>the</sup> function  $\psi$  when the preference function  $\omega$  is quadratic.

6.1.3. Calculation of supply (participation) probability.

In this section the calculation of  $\mu_2$ ,  $\mu_a$  and  $\mu_{2a}$  is discussed.

6.1.3.1 The coordinates of points  $q_1$  and  $q_4$

It can be seen that function  $f$  contains preference parameters,  $r_1$ ,  $r_2$ ,  $r_3$  and  $r_5$ , and exogenous variables,  $v$ ,  $w$ ,  $\bar{h}$  and  $I$ , respectively; that is,  $f$  is rewritten as

$$23) H(m') = f[H(d), r_1, r_2, r_3, r_5 | v, w, \bar{h}, I]$$

where  $H(d) > 0$ .

In the same fashion function  $\psi$  can be rewritten as

$$24) H(e) = \psi [H(d), r_1, r_3, r_5 | v, w, \bar{h}]$$

where  $H(d) > \bar{h}$ .

Applying  $H(m') = \bar{h}$  to the left hand side of equation (20), we have

$$24) \bar{h} = f[H(d), r_1, r_2, r_3, r_5 | v, w, \bar{h}, I].$$

This equation can be solved for  $H(d)$ . Let us denote the solution for  $H(d)$  by  $H(d)_{q_1}$ . Hence

$$25) H(d)_{q_1} = f^{-1} [r_1, r_2, r_3, r_5 | v, w, \bar{h}, I],$$

where  $f^{-1}$  stand for the inverse function of  $f$ .  $H(d)_{q_1}$ , given by (25) is the coordinate of point  $q_1$  on  $H(d)$  axis in Fig. 10.

Now we shall obtain the coordinate of point  $q_4$  in Fig 10.

Replacing  $H(e)$  on the left hand side of equation (24) by  $\bar{h}$  we have

$$(27) \bar{h} = \psi [H(d), r_1, r_3, r_5 | v, w, \bar{h}].$$

We can solve (27) with respect to  $H(d)$  and let us denote the solution by  $H(d)_{q_4}$ . Hence we have

$$(28) H(d)_{q_4} = \psi^{-1} [r_1, r_3, r_5 | v, w, \bar{h}]$$

where  $\psi^{-1}$  is the inverse function of  $\psi$ . Equation (28) gives the coordinate of point  $q_4$  in Fig VI-11.

It can be seen that  $H(d)_{q_4}$  is invariant with the principal earner's income level,  $I$ , because  $\psi$  and  $\psi^{-1}$  does not contain  $I$  as an argument.

This stems from the characteristics of quadratic function  $\omega$ .

6.1.3.2 Density distribution function of H(d)

Finally we shall discuss the density distribution function of H(d). H(d) has been given by ( see 6(271-1) )

$$(3) \quad H(d) = \frac{-(\gamma_1 V - \gamma_3)I - V(\gamma_2 + \gamma_3 T) + \gamma_4 + \gamma_5 T}{\gamma_1 V^2 - 2\gamma_3 V + \gamma_5}$$

where the magnitude of  $\gamma_4$  varies among households considered. With respect to a household i, the value of  $\gamma_4^i$  is given by

$$(29) \quad \gamma_4^i = \bar{\gamma}_4 \cdot u_i$$

where  $\bar{\gamma}_4$  is a constant which is common to all the households considered and  $u_i$  is a random variable distribution of which is long-normal with mean  $E(u_i)$ , and variance  $\sigma^2$ , where

$$E(u_i) = 1,$$

$\sigma_u^2$  being a constant. Let the density distribution of  $u_i$  be

$$(30) \quad 1(u, \sigma_u^2)$$

where suffix i is deleted. By considering (29), (3) can be reduced to

$$H(d) = \frac{-(\gamma_1 V - \gamma_3)I - V(\gamma_2 + \gamma_3 T) + \bar{\gamma}_4 u + \gamma_5 T}{\gamma_1 V^2 - 2\gamma_3 V + \gamma_5}$$

Solving this equation with respect to u, we have

$$(31) \quad u = \frac{1}{\bar{\gamma}_4} \{ (\gamma_1 V^2 - 2\gamma_3 V + \gamma_5) H(d) + (\gamma_1 V - \gamma_3)I + (\gamma_2 + \gamma_3 T)V - \gamma_5 T \}$$

or in short,

$$(32) \quad u = u(H(d), \gamma_1, \gamma_2, \gamma_3, \gamma_4, \gamma_5 | V, I)$$

From (31) we have

$$(33) \quad du = \frac{1}{\bar{\gamma}_4} (\gamma_1 V^2 - 2\gamma_3 V + \gamma_5) \cdot dH(d).$$

From (32), (30) and (33), we have



$$(33) \int_{\bar{u}}^{\bar{u}'} l(u) \cdot du = l [v(H(d)), \bar{r}_1, \bar{r}_2, \bar{r}_3, \bar{r}_4, \bar{r}_5 | v, I, \sigma] \left| \frac{du}{dH(d)} \right| \cdot dH(d) \\ = l H(d) [H(d), \bar{r}_1, \bar{r}_2, \bar{r}_3, \bar{r}_4, \bar{r}_5 | v, I, \sigma] \left| \frac{\bar{r}_1 v^2 - 2\bar{r}_2 v + \bar{r}_3}{\bar{r}_4} \right| \cdot dH(d),$$

This is the function which transforms the distribution function of  $u$ ,  $l(u)$ , to that of  $H(d)$ ,  $l[H(d)]$ . The right hand side of equation (34) (except for  $dH(d)$ ) is the density distribution function of  $H(d)$  depicted in Fig VI-11.

For the sake of brevity, let us denote distribution function, the right hand side of (34), (except for  $dH(d)$ ) by

$$(35) \bar{l}^* = l^*(H(d), \gamma_1, \gamma_2, \gamma_3, \gamma_4, \gamma_5 | v, I, \sigma).$$

It can be seen from (34) that the distribution of  $H(d)$  is invariant with respect to changes in  $w$ .

### 6.1.3.3 Participation Probability

By using (34),  $\mu_d$  shown by area  $S_2$  in Fig VI-11 is given by the definite integration of  $\bar{l}^*$ , i. e.

$$(36) \mu_d = \int_0^{H(d)q_1} \bar{l}^*(H(d), \bar{r}_1, \bar{r}_2, \bar{r}_3, \bar{r}_4, \bar{r}_5 | v, I, \sigma) dH(d),$$

where  $H(d)q_1$  is given by (25).

In the same manner,  $\mu_c$  shown by area  $S_3$  in Fig VI-11 is given by.

$$(37) \mu_c = \int_{H(d)q_1}^{H(d)q_4} \bar{l}^*(H(d), \bar{r}_1, \bar{r}_2, \bar{r}_3, \bar{r}_4, \bar{r}_5 | v, I, \sigma) dH(d);$$

where  $H(d)q_4$  is given by (28).

The value of  $\mu_{ed}$  shown by area  $S_4$  in Fig VI-11 is given by

$$(38) \mu_{ed} = \int_{H(d)q_4}^{\infty} \bar{l}^*(H(d), \bar{r}_1, \bar{r}_2, \bar{r}_3, \bar{r}_4, \bar{r}_5 | v, I, \sigma) dH(d).$$

6.1.3.4 It can be seen from (36), (37) and (38) that the values of three kinds of probability of participation,  $\mu_e$ ,  $\mu^d$  and  $\mu^{sd}$ , are respectively determined by the values of  $\{\gamma_i\}$  ( $i=1, \dots, 5$ ),  $\sigma$ ,  $v$ ,  $w$ , and  $I$ . It should be noted that the magnitude of  $w$  affects the probabilities via limits of integration,  $H(d)q$ , and  $H(d)q_4$ , as well, because these are functions of  $w$  respectively.

Employing an abridged formulation, (36), (37) and (38) can be rewritten as

$$(39) \quad \mu^d = \mu^d(\{\gamma_i\}, \sigma, v, w, I),$$

$$(40) \quad \mu_e = \mu_e(\{\gamma_i\}, \sigma, v, w, I),$$

and

$$(41) \quad \mu^{sd} = \mu^{sd}(\{\gamma_i\}, \sigma, v, w, I).$$

Making use of these relation we can proceed to obtain the estimates of preference parameters,  $\{\gamma_i\}$  and  $\sigma$ , of secondary order precision. This procedure is shown in the following section.

## [6.2.] Augmenting the Precision of Estimates of Preference Parameters (p. 2)

### (6.2.1)

Let us denote the values of preference parameters obtained previously in <5.2> by  $\{\gamma_i^{(0)}\}$  and  $\sigma^{(0)}$  ( $i=1, \dots, 5$ ). These values can be considered to be the first approximation for the true values of preference parameters,  $\{\gamma_i\}$  and  $\sigma$ . For, the model used to estimate those parameters was

the first approximation in the sense that the model took into account the wife's earning by employed opportunity only among two, that is earning by self-employed work and that by accepting employee opportunity.

By inserting the observed values for  $w$ ,  $v$  and  $I$ ,  $w^0$ ,  $v^0$  and  $I^0$ , respectively, together with  $\{\gamma_i^{(0)}\}$  and  $\sigma^{(0)}$ , into (39), (40) and (41), we have theoretical (or estimated) values for  $\mu^e$ ,  $\mu^d$  and  $\mu^{sd}$ , that is,

$$42) \quad \mu_e^0 = \mu_e(\{\gamma_i^{(0)}\}, \sigma^{(0)}, v^0, w^0, I^0)$$

$$43) \quad \mu^d = \mu^d(\{\gamma_i^{(0)}\}, \sigma^{(0)}, v^0, w^0, I^0)$$

$$44) \quad \mu^{sd} = \mu^{sd}(\{\gamma_i^{(0)}\}, \sigma^{(0)}, v^0, w^0, I^0)$$

Now, let us denote the observed values for participation probabilities of  $j$ th principal earner's income class by  $\mu_{j0}^d, \mu_{j0}^e$  and  $\mu_{j0}^{ed}$ .

Let the differences between observed values and first approximation values be

$$(a) \quad u_j^d \equiv (\mu_{j0}^d - \mu_j^d(1)), \quad u_j^e \equiv (\mu_{j0}^e - \mu_j^e(1)), \quad u_j^{ed} \equiv (\mu_{j0}^{ed} - \mu_j^{ed}(1))$$

where  $\mu_j^d(1), \mu_j^e(1)$  and  $\mu_j^{ed}(1)$  are first approximation values.

Let

$$(b) \quad \delta(\{u_j^d\}, \{u_j^e\}, \{u_j^{ed}\})$$

be an objective function properly defined, where  $\{ \}$  stands for  $2^d$  row vector. Initial values for <sup>the</sup> preference parameters,  $\{\alpha_i^{(1)}\}$  and  $\sigma^{(1)}$ , are allowed to vary so as to minimize  $\delta$ .

Hence, we have to choose proper functional form for the objective function  $\delta$ . In relation to this, it should be noted that equations (39) through (41) are exact relations that do not include any shocks, or disturbances in relations, in them. In contrast to those relations, ordinal consumption functions, for example, include shocks which, it is assumed, reflect random movements in consumer's preference parameters and so on. In other words, as far as we treat shock model at least, discrepancies between observed <sup>2d</sup> values and theoretical (estimated) values for consumptions are allowed. However, present model for <sup>supply</sup> ~~participation~~ probability, or the system or equations (39) through (41), has been deduced by definit integration of distribution function of  $H(d^*)$ , and the distribution function reflects the distribution function of <sup>the</sup> preference parameters. And upper and lower limits of the definit integration are not random variables. Therefore, also the values for definit integrals are not random variables. Hence, as far as present model is concerned there is no room for allowing shocks for the equation system, (39) through (41).

Contrary to probability functions (41) through (43), each household's

supply function with respect to wives' optimal hours of work for employment opportunities or an aggregation of them do include shocks reflecting differences in preference parameters among households, as consumption functions do.

However, as explained above, the probability equations are conceived of exact relations, and the differences between theoretical values  $\mu^d$ ,  $\mu^e$  and  $\mu^{ed}$ , and observals  $\mu_0^d$ ,  $\mu_0^e$  and  $\mu_0^{ed}$ , respectively, are considered to reflect sampling or observational errors (disturbances in variables) caused from limited size of samples.

Hence, denoting sampling or observational errors by additive random variable  $u_d$ ,  $u_e$  and  $u_{ed}$ , we have

$$2-45) \mu_0^d = \mu^d(\{r_i\}, \sigma, v, w, I) + u_d$$

$$46) \mu_0^e = \mu^e(\{r_i\}, \sigma, v, w, I) + u_e$$

$$47) \mu_0^{ed} = \mu^{ed}(\{r_i\}, \sigma, v, w, I) + u_{ed}$$

which constitute an error model, not a shock model.

Multiply  $n$  on the both <sup>sides</sup> of equations 45) through 47), respectively, we have

$$2-48) n\mu_0^d = n\mu^d(\{r_i\}, \sigma, v, w, I) + n u_d$$

$$2-49) n\mu_0^e = n\mu^e(\{r_i\}, \sigma, v, w, I) + n u_e$$

$$50) n\mu_0^{ed} = n\mu^{ed}(\{r_i\}, \sigma, v, w, I) + n u_{ed}$$

where  $n$  stands for sample size (number of households or number of wives) for each principal earner's income class.

Rewriting 2-48), we have

$$2-51) n\mu_0^d = n\mu^d(\{r_i\}, \sigma, v, w, I) + E_d$$

$$52) n\mu_0^e = n\mu^e(\{r_i\}, \sigma, v, w, I) + E_e$$

$$53) n\mu_0^{ed} = n\mu^{ed}(\{r_i\}, \sigma, v, w, I) + E_{ed}$$

where

$$54) E_d \equiv n \cdot u_d, \quad 52) E_e \equiv n \cdot u_e \quad \text{and} \quad 53) E_{ed} \equiv n \cdot u_{ed}.$$

$E_d$ ,  $E_e$  and  $E_{ed}$  are, respectively, differences between observed and theoretical values, and they have a joint binomial distribution. As  $n$  is large enough, the joint distribution can be fully approximated by normal distribution,

$$55) \quad N(0, 0, 0, \sigma_d, \sigma_e, \sigma_{ed}, \sigma_{e.d}^2, \sigma_{d.ed}^2, \sigma_{e.ed}^2)$$

where,  $\sigma_d$ ,  $\sigma_e$ ,  $\sigma_{ed}$  stand for, respectively, means and standard deviations with respect to  $E_d$ ,  $E_e$  and  $E_{ed}$ , and  $\sigma_{e.d}^2$ ,  $\sigma_{d.ed}^2$  and  $\sigma_{e.ed}^2$  stand for their covariances.

From 45), 46) and 47), we have

$$u_d \equiv \frac{1}{n} E_d, \quad u_e \equiv \frac{1}{n} E_e, \quad \text{and} \quad u_{ed} \equiv \frac{1}{n} E_{ed},$$

hence,  $u_d$ ,  $u_e$  and  $u_{ed}$  have joint probability distribution

$$N(0, 0, 0, \frac{1}{n}\sigma_d, \frac{1}{n}\sigma_e, \frac{1}{n}\sigma_{ed}, \frac{1}{n^2}\sigma_{e.d}^2, \frac{1}{n^2}\sigma_{d.ed}^2, \frac{1}{n^2}\sigma_{e.ed}^2)$$

as approximation.

Now, under the constraint that  $E_d$ ,  $E_e$  and  $E_{ed}$  have joint distribution 55), we shall obtain maximum likelihood estimates of  $\{\sigma_i\}$  and  $\sigma$ . Because  $v$ ,  $w$  and  $I$ , in 48) and 49), are fixed in  $r$  repeated samples, equations having fixed variate on the right hand sides of the equations, although they constitute an error model.

48) and 49) can be treated as regression equations

Let  $n_e$ ,  $n_d$  and  $n_{ed}$  be, respectively, numbers of persons of employed by employed, self-employed and of those who participate both opportunities among  $n$  persons. Taking into that those variates have binomial distributions, we have

$$56-1) \quad E(n_e) = n\mu_e$$

$$56-2) \quad E(n_d) = n\mu_d$$

$$56-3) \quad E(n_{ed}) = n\mu_{ed}$$

$$57-1) \quad \text{var}(n_e) = n\mu_e(1-\mu_e)$$

$$57-2) \quad \text{var}(n_d) = n\mu_d(1-\mu_d)$$

$$57-3) \quad \text{var}(n_{ed}) = n\mu_{ed}(1-\mu_{ed})$$

$$57-4) \quad \text{cov}(\pi_e, \pi_d) = -\pi_e \mu_e \mu_d$$

$$57-5) \quad \text{cov}(\pi_e, \pi_{ed}) = -\pi_e \mu_e \mu_{ed}$$

$$57-6) \quad \text{cov}(\pi_d, \pi_{ed}) = -\pi_d \mu_d \mu_{ed}$$

where var and cov, respectively, stand for variance and covariance of the variates in the parentheses.

Parameters  $\{\delta_i\}$  and  $\sigma$  are estimated so as to minimize

$$58) \quad \delta \equiv U' \Sigma^{-1} U,$$

where

$$59) \quad U' \equiv [u_{1e} \ u_{1d} \ u_{1ed} \ \dots \ u_{2e} \ u_{2d} \ u_{2ed}],$$

$m$  stand for number of principal earner's income classes, and  $\Sigma$  standing for variance-covariance matrix with respect to  $u_{1d}$ ,  $u_{2e}$  and  $u_{ed}$ .

Population variance and covariance are estimated by sample variance and covariance.

Estimation procedure is summarized below.

Firstly, participation probabilities,  $\mu^d$ ,  $\mu^e$  and  $\mu^{ed}$ , are computed, making use of  $\{\delta_i^{(0)}\}$  and  $\sigma^{(0)}$ , by equations 45) through 47). Secondly, by using the computed participation probabilities, we have  $U'$  in 59). Inserting those values into (58), together with  $\Sigma$ , we have  $\delta^{(1)}$ , the value of  $\delta$  corresponding to  $\{\delta_i^{(1)}\}$ . We compute  $\{\delta_i^{(2)}\}$  and  $\sigma^{(2)}$ , respectively, using  $\{\delta_i^{(1)}\}$  and  $\sigma^{(1)}$  so as to reduce the magnitude of  $\delta$ . That is; let the shifts in  $\{\delta_i^{(1)}\}$  and  $\sigma$  be denoted by  $\Delta \delta_i$  ( $i=2, \dots, 5$ ) and  $\Delta \sigma$  respectively. It will be needless to say that  $\delta_i^{(1)} \geq -1$  and  $\Delta \delta_i \geq 0$ . It can be seen from (42) through (44) that revised values for participation probabilities, after assigning the shifts for the parameters,  $\mu^d(\Delta)$ ,  $\mu^e(\Delta)$  and  $\mu^{ed}(\Delta)$ , are given by

$$60) \quad \mu_j^d(\Delta) = \mu^d(\{\delta_i^{(1)} + \Delta \delta_i\}, \sigma^{(1)} + \Delta \sigma, v^0, w^0, I_j^0)$$

$$61) \quad \mu_j^e(\Delta) = \mu^e(\{\delta_i^{(1)} + \Delta \delta_i\}, \sigma^{(1)} + \Delta \sigma, v^0, w^0, I_j^0)$$

$$62) \quad \mu_j^{ed}(\Delta) = \mu^{ed}(\{\delta_i^{(1)} + \Delta \delta_i\}, \sigma^{(1)} + \Delta \sigma, v^0, w^0, I_j^0)$$

$\hat{\sigma}^{(2)}$  can be computed, by employing 60) through 62), from 58).

$$\hat{\gamma}_i^{(2)} \equiv \gamma_i^{(1)} + \Delta \gamma_i \quad ; \quad i = 2, 3, 4, 5$$

and

$$\hat{\sigma}^{(2)} = \sigma^{(1)} + \Delta \sigma$$

are revised estimates for the preference parameters.

6.2.

6.2.1 ADDENDUM for the Computation Procedure

[6.2.1] Calculation of abscissa for  $q_1$  in Fig. VI-11 for A-B Type Preference function

(6.2.1.1) In equation

$$H(m') = f[H(d)]$$

let  $H(m') = \bar{h}$ , and the equation can be solved for  $H(d)$ . The solution is the abscissa of point  $q_1$ .

Concrete form of function  $f$  has been given by (17) in (6.1.2.7.2). From this and  $H(m') = \bar{h}$ , we have

$$1) \bar{h} = \frac{-K - \sqrt{D}}{\gamma_1 w^2 - 2\gamma_3 w + \gamma_5}$$

where

$$K \equiv (w-v)(\gamma_1 I + \gamma_2 + \gamma_3 T) - (\gamma_1 v^2 - 2\gamma_3 v + \gamma_5) h^*$$

$$D \equiv (w-v) \left\{ (w-v)(\gamma_1 I + \gamma_2 + \gamma_3 T)^2 - 2(\gamma_1 I + \gamma_2 + \gamma_3 T)(\gamma_1 v^2 - 2\gamma_3 v + \gamma_5) h^* + (\gamma_1 v^2 - 2\gamma_3 v + \gamma_5)[2\gamma_3 - \gamma_1(w+v)](h^*)^2 \right\}$$

and notation  $h^*$  is used in place of  $H(d)$  for the sake of abbreviation.

(1) can be solved for  $h^*$ , that is, (1) can be rewritten as

$$2) (\gamma_1 v^2 - 2\gamma_3 v + \gamma_5)(h^*)^2 - 2(\gamma_1 v^2 - 2\gamma_3 v + \gamma_5) \bar{h} \cdot h^* + \bar{h} [(\gamma_1 w^2 - 2\gamma_3 w + \gamma_5) \bar{h} + 2(w-v)(\gamma_1 I + \gamma_2 + \gamma_3 T)] = 0$$

Among two roots of equation (2), we adopt the root  $h^*$  satisfying

$$0 < h^* < \bar{h}$$

as plausible solution.

We rewrite (2) as

$$2') A_+ (h^*)^2 - 2A_+ \bar{h} \cdot h^* + B_+ = 0,$$

where

$$3-1) A_+ \equiv \gamma_1 v^2 - 2\gamma_3 v + \gamma_5$$

and

$$3-2) B_+ \equiv \bar{h} [(\gamma_1 w^2 - 2\gamma_3 w + \gamma_5) \bar{h} + 2(w-v)(\gamma_1 I + \gamma_2 + \gamma_3 T)]$$



We have solution  $h^*$  as

$$4) h^* = \frac{A_+ \bar{h} \pm \sqrt{A_+^2 \bar{h}^2 - A_+ B_+}}{A_+} = \bar{h} \pm \sqrt{\bar{h}^2 - \frac{B_+}{A_+}}$$

Taking into account the requirement  $0 < h^* < \bar{h}$ , we have

$$5) H(d)_{q_1} = \bar{h} - \sqrt{\bar{h}^2 - \frac{\bar{h}[(r_1 w^2 - 2r_3 w + r_5)\bar{h} + 2(w-v)(r_1 I + r_2 + r_3 T)]}{r_1 v^2 - 2r_3 v + r_5}}$$

(6.2.1.2) Calculation of abscissa for  $q_2$  in Fig. VI-11

In equation

$$H(e) = \psi[H(d)]$$

we put left hand side equal to  $\bar{h}$ , that is,

$$\bar{h} = \psi[H(d)]$$

By solving this equation for  $H(d)$ , we have abscissa for point  $q_4$ .

Concrete form of  $\psi$  is given by 22) in 6.1.2.7-37.

$$H(e) = H(d) - \frac{(r_1 v - r_3)(w-v)\bar{h}}{r_1 v^2 - 2r_3 v + r_5}$$

Applying  $H(e) = \bar{h}$  for the equation, and solving it for  $H(d)$ , we have

$$6) H(d)_{q_4} = \bar{h} + \frac{(r_1 v - r_3)(w-v)\bar{h}}{r_1 v^2 - 2r_3 v + r_5} = \bar{h} \left[ 1 + \frac{(r_1 v - r_3)(w-v)}{r_1 v^2 - 2r_3 v + r_5} \right]$$

where  $H(d)_{q_4}$  stands for abscissa of point  $q_4$ .

(6.2.1.3) Calculation of abscissa of Point a in Fig. VI-11

In the equation 3) (6.1.2.7),

$$H(d) = \frac{-(r_1 w - r_3)I - v(r_2 + r_3 T) + r_4 + r_5 T}{r_1 v^2 - 2r_3 v + r_5}$$

we set  $r_4 = 0$ . Hence, we have

$$7) H(d)_{max} = \frac{r_5 T - (r_1 v - r_3)I - v(r_2 + r_3 T)}{r_1 v^2 - 2r_3 v + r_5}$$

where  $H(d)_{max}$  stands for the value of  $H(d)$  for household with largest value

of  $H(d)$  among the households considered. Accordingly,  $H(d)_{\max}$  represents the abscissa of point  $a$  in Fig. VI-11.

[6.2.2] Some other constraints for the Parameters to be Estimated

From the generalized labor supply model for type A household, in which self-employed opportunities are taken into account as well as employment opportunities, we can derive some additional theoretical restrictions for the parameters to be estimated. They are in order:

- (1) The derivative of function  $\phi$  be positive

This constraint can be stated, by using (6-10) in (6-12.7.4), as

$$1) \frac{z(r_1 v^2 - 2r_3 v + r_5)}{r_1 w^2 - 2r_3 w + r_5} > 0$$

Hence we have

$$1') (r_1 v^2 - 2r_3 v + r_5)(r_1 w^2 - 2r_3 w + r_5) > 0 \quad \text{constraint [1]}$$

- (2)  $0 < \phi[H(d)=0] = f[H(d)=0] < \bar{h}$  must be held

This restriction means that point  $\alpha'$ , in Fig. V-11, must lie between 0 and  $\bar{h}$ . By applying

$$H(d)=0$$

to equation (6-10) in (6-1.2.7.4) we have

$$2) \phi[H(d)=0] = \frac{z(v-w)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5}$$

which stands for the ordinate of point  $\alpha'$  on curve  $d\alpha'$ , or function  $\phi$ .

While, by applying  $H(d)=0$ , or  $h^*=0$ , to equation 2-17) in § VI-1.2.2, we have,

$$f(H(d)=0) = \frac{-K' - \sqrt{D'}}{r_1 w^2 - 2r_3 w + r_5}$$

where,

$$K' \equiv (w-v)(r_1 I + r_2 + r_3 T) \quad \text{and} \quad D' \equiv (w-v)^2 (r_1 I + r_2 + r_3 T)^2 = (K')^2$$

Hence, we have

$$3) \quad f[H(d)=0] = \frac{-2K'}{r_1 w^2 - 2r_3 w + r_5} = \frac{2(v-w)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5},$$

which stands for the ordinate of  $\alpha'$  on curve  $\alpha^\beta$ , or function  $f$ .

Comparing 2) and 3) each other, curve  $\alpha^\alpha$  and  $\alpha^\beta$  in Fig. VI-8, 9 and 10, respectively, join each other at point  $\alpha'$ .

From 2) and 3), the constraint

$$0 < \mathcal{G}[H(d)=0] = f[H(d)=0] < \bar{h}$$

can be written as

$$4) \quad 0 < \frac{2(v-w)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5} < \bar{h}$$

From the first and second terms in this inequality, we have

$$5) \quad 0 < \frac{-2(w-v)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5}$$

We have had restriction

$$w > v,$$

----- restriction [2]-0

hence, we have

$$5.1) \quad (r_1 I + r_2 + r_3 T)(r_1 w^2 - 2r_3 w + r_5) < 0$$

On the other hand, from second and third terms in inequalities

4), we have

$$\frac{-2(w-v)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5} < \bar{h}$$

or,

$$\frac{(w-v)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5} > \frac{-\bar{h}}{2}$$

Hence, according to positive or negative for the denominator in left hand side of the last inequality, if

$$a) \quad r_1 w^2 - 2r_3 w + r_5 > 0$$

we have constraint,

$$5.2) \quad (w-v)(r_1 I + r_2 + r_3 T) > -\frac{\bar{h}}{2}(r_1 w^2 - 2r_3 w + r_5),$$

and if,

$$b) \quad r_1 w^2 - 2r_3 w + r_5 < 0$$

we have constraint,

$$5.3) (w-v)(r_1 I + r_2 + r_3 T) < -\frac{\bar{h}}{z} (r_1 w^2 - 2r_3 w + r_5)$$

The discussion below equation 5.1) can be alternatively restated as follows: firstly, in equation 5.1), we have

$$6.1) r_1 I + r_2 + r_3 T > 0, \quad \dots \text{restriction [2]-1}$$

because the left hand side of the inequality stands for the marginal utility of household income when its non-principal potential earner does not work at all. Hence, from 5.1) we have

$$6.2) r_1 w^2 - 2r_3 w + r_5 < 0 \quad \dots \text{restriction [2]-2}$$

Taking into account these, we look into inequality

$$\frac{z(w-v)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5} < \bar{h}$$

in 4). This can be rewritten as

$$\frac{(w-v)(r_1 I + r_2 + r_3 T)}{r_1 w^2 - 2r_3 w + r_5} > \frac{\bar{h}}{z}$$

By considering 6.2), we can see left hand side of this inequality is negative. Hence, we have

$$6.3) (w-v)(r_1 I + r_2 + r_3 T) < -\frac{\bar{h}}{z} (r_1 w^2 - 2r_3 w + r_5) \quad \dots \text{restriction [2]-3}$$

And from 6.2) and 1), we have

$$r_1 v^2 - 2r_3 v + r_5 < 0 \quad \dots \text{restriction [1']}$$

This constraint is an alternative to restriction [1].

(3) Constraint that inequality  $0 < H(d)_{q_1} < \bar{h}$  must be held.

The abscissa of point  $q_1$  is given by equation 5) in (6.2.1.1); that is,

$$H(d)_{q_1} = \bar{h} - \sqrt{(\bar{h})^2 - \frac{\bar{h}[(r_1 w^2 - 2r_3 w + r_5)\bar{h} + 2(w-v)(r_1 I + r_2 + r_3 T)]}{r_1 v^2 - 2r_3 v + r_5}}$$

In order that the terms in the root is positive and that

$$0 < H(d)_{q_1} < \bar{h}$$

can be held, we have to have

$$7) -(\bar{h})^2 < \frac{\bar{h}[(r_1 w^2 - 2r_3 w + r_5)\bar{h} + 2(w-v)(r_1 I + r_2 + r_3 T)]}{r_1 v^2 - 2r_3 v + r_5} < 0$$

Now, from the requirement (6.2) and (1')

$$1'') \quad r_1 v^2 - 2r_3 v + r_5 < 0$$

should have been satisfied. Hence, from (7) we have

$$7') \quad -(\bar{h})^2 (r_1 v^2 - 2r_3 v + r_5) > -\bar{h} \{ (r_1 w^2 - 2r_3 w + r_5) \bar{h} + 2(w-v)(r_1 I + r_2 + r_3 T) \} > 0,$$

.... constraint [3]'

which is an alternative presentation for the requirement that inequality

$0 < H(d)_{j_1} < \bar{h}$  be held.

(4) Constraint that  $\bar{h} < H(d)_{j_2} < a$  must be held

From Fig. VI-11, it can be seen that point  $q_4$  must lie between points  $\bar{h}$  and  $a$  on the horizontal axis.

The abscissa of point  $q_4$ ,  $H(d)_{j_4}$ , is given by equation (6) in (6.2.1.2), that is,

$$H(d)_{j_4} = \bar{h} + \frac{(r_1 v - r_3)(w-v)\bar{h}}{r_1 v^2 - 2r_3 v + r_5}$$

Hence, in order that the part of the constraint,  $\bar{h} < H(d)_{j_4}$  be satisfied,

$$8) \quad \bar{h} < \bar{h} + \frac{(r_1 v - r_3)(w-v)\bar{h}}{r_1 v^2 - 2r_3 v + r_5} \quad \dots \text{constraint [4]-1}$$

must be held.

The abscissa of point  $a$  in Fig. V-11 can be written

$$H(d)_{max} = \frac{r_5 T - (r_1 v - r_3) I - v(r_2 - r_3 T)}{r_1 v^2 - 2r_3 v + r_5}$$

which is shown in 7) in (6.2.1.3). Hence the part of constraint  $H(d)_{j_4} < a$  can be written that

$$9) \quad \bar{h} + \frac{(w-v)(r_1 v - r_3)\bar{h}}{r_1 v^2 - 2r_3 v + r_5} < \frac{r_5 T - (r_1 v - r_3) I - v(r_2 - r_3 T)}{r_1 v^2 - 2r_3 v + r_5}$$

constraint [4]-2

From 8) it can be seen that

$$8') \quad \frac{(r_1 v - r_3)(w-v)\bar{h}}{r_1 v^2 - 2r_3 v + r_5} > 0, \quad \text{where } w-v > 0,$$

.... constraint [4]-1'

must be held. From 6.2), at the same time,

$$\gamma_1 v^2 - 2\gamma_2 v + \gamma_3 < 0$$

must be held, so that, it can be seen, alternative presentation of what is required by 8') is that

$$10) \quad \gamma_1 v - \gamma_3 < 0$$

... constraint [4]-2'

Requirement 10) can be fulfilled whenever  $\gamma_3 > 0$  holds. Hence, constraints [4]-1' and 2' is need<sup>2d</sup><sub>1</sub> in order that

$$\bar{h} < H(d)_{14} < a$$

holds.

[6.3] Improving exactness of estimated parameters by using employee-self employed model (A synthetic model for Type A household)

(6.3.1) Search for refined estimates

This is the preliminary section for obtaining refined estimates of the preference parameters. To improve the precision of estimated parameters, we employ the synthetic model described in the previous section.

In the synthetic model a new kind of exogenous variable,  $v$  standing for the earning rate (or marginal productivity) of self employed workers was introduced. However,  $v$  cannot be directly observed because the Family Income and Expenditure Survey in Japan does not survey hours of work. Hence, we are compelled to estimate  $v$  as a parameter, the value of which is assumed to vary from year to year.

a) Postulates for estimating plausible values of  $v$

The following define what constitutes a plausible value for  $v$ .

(1) If we have a set of reasonably good estimates of parameters, making use of the general model, we should be able to compute theoretical values for the self-employed participation rate  $\mu_d$  and  $\mu_{ed}$  (rate of participation both for employees and self-employed) as well as the employees' participation rate  $\mu_e$ , which should reasonably fit the observables  $\mu_d^0, \mu_{ed}^0$  and  $\mu_e^0$ .

(2) In order to compute theoretical values  $\mu_d, \mu_e$  and  $\mu_{ed}$  we, before hand, have to have numerical values for principal earner's incomes  $I_i$  of the group of households, with  $w$  and  $v$  both assumed to be common to all groups of households.  $I_i$  and  $w$  are directly observable but  $v$  is not, as mentioned above. Hence, owing to (1), if we try a tentative value for  $v$ , and if the value is a fairly good approximation to the true value of  $v$ , the computed

theoretical values  $u_d$ ,  $u_{ed}$  and  $u_e$  will reasonably fit the observed values.

In addition to the above assumptions, the following restrictions must be satisfied by  $\psi$  together with observed values for  $I_1$  and  $w$ .

1 The slope of the curve standing for function  $\phi$  should be positive.

$$2(r_1\sigma^2 - 2r_1\sigma + r_3)/(r_1w^2 - 2r_1w + r_3) > 0$$

2  $0 < \phi(H(d)=0) = f(H(d)=0) < \bar{h}$

(We have this in order to attain consistency between the observation and the model.)

3  $0 < q_1 < \bar{h}$ ; where,

$$q_1 = \bar{h} - \frac{\sqrt{\bar{h}^2 - \bar{h}(r_1w^2 - r_1w + r_3)\bar{h} + 2(w-\sigma)(r_1l + r_2 + r_3T)}}{r_1w^2 - 2r_1w + r_3}$$

4  $\bar{h} < q_4 < \alpha$ ; where,

$$q_4 = \bar{h} + \frac{(r_1\sigma - r_2)(w - \sigma)\bar{h}}{r_1\sigma^2 - 2r_1\sigma + r_3}$$

$$\alpha = \frac{r_3T - (r_1\sigma - r_2)l - \sigma(r_2 + r_3T)}{r_1\sigma^2 - 2r_1\sigma + r_3}$$

(These restrictions stem from  $\phi(H(d)=\bar{h}) < \bar{h}$  and  $\phi(H(d)=\alpha) > \bar{h}$ .)

5  $\bar{h} < f(\bar{h})$ , 6.  $\phi(\bar{h}) < \bar{h}$ , 7.  $\bar{h} < \phi(\alpha)$

Condition 1 yields  $(r_1\sigma^2 - 2r_1\sigma + r_3)(r_1w^2 - 2r_1w + r_3) > 0$

Condition 2 can be rewritten as

$$0 < -\frac{2(w-\sigma)(r_1l + r_2 + r_3T)}{r_1w^2 - 2r_1w + r_3} < \bar{h}$$

So that we have



$$\frac{(\omega - \sigma)(r_1 I + r_2 + r_3 T)}{(r_1 \omega^2 - 2r_2 \omega + r_3)} > -\bar{h}/2, \text{ where } r_1 \omega^2 - 2r_2 \omega + r_3 < 0,$$

hence

$$(\omega - \sigma)(r_1 I + r_2 + r_3) < -\bar{h}(r_1 \omega^2 - 2r_2 \omega + r_3)/2$$

With respect to condition 4, in order that value in the root notation be positive

$$\text{and } 0 < r_1 < \bar{h}$$

$$-\bar{h} < \frac{\bar{h}[(r_1 \omega^2 - 2r_2 \omega + r_3) - 2(\omega - \sigma)(r_1 I + r_2 + r_3 T)]}{r_1 \omega^2 - 2r_2 \omega + r_3} < 0 \text{ must hold.}$$

Condition 5 can be rewritten as follows.

$$-\bar{h} < \bar{h} - \frac{(\omega - \sigma)(r_1 \omega - r_2) \bar{h}}{r_1 \omega^2 - 2r_2 \omega + r_3} < \frac{r_3 T - (r_2 \omega - r_1) [-\sigma(r_2 - r_3 T)]}{r_1 \omega^2 - 2r_2 \omega + r_3}$$

(b) Search for plausible values of  $v$ . To compute the theoretical values of participation rates, we first need numerical values for the preference parameters  $\gamma_i$  ( $i=1, \dots, 5$ ) and  $\sigma$ .

Values of  $\gamma_i$  and  $\sigma$  obtained in the previous section,

$$\gamma_1 = -1.0 \quad \gamma_2 = 100.003 \quad \gamma_3 = 1.0797,$$

$$\gamma_4 = 6000.4 \quad \gamma_5 = -1399.3, \text{ and } \sigma = 0.3839, \text{ were used.}$$

Those values are of first approximations because they are obtained making use of the employment opportunity model where nonprincipal earner's (wife's) / income from self-employed work was ignored.

Secondly, we need observed value for  $I_i$ . We used three levels of  $I$ ,  $I_1 = 12.5018$ ,  $I_2 = 35.0735$ , and  $I_3 = 57.5504$  for 1964.

Finally the observed value for  $w$ : We have  $\bar{w} = 15.8$  for 1964, where  $\bar{h}$  is estimated as  $\bar{h} = 0.3501$  for 1964, and hence  $\bar{w} = 45.13$ .

Inserting the values above, together with tentative values for  $v$ , into restrictions 1 through 5, we checked to see these restrictions are satisfied.

Tentative values of  $v$  ranged from 1 to 90 so as to include the observed value for  $w$ , 45.13.

The intervals of the tentative values for  $V$  are 5. It was found that the values of  $V$  satisfying the restrictions were 40 and 45 as shown in Tab.VI-1. (\*)

Next we refined the process of the search, that is; (1) various sets of values for  $\gamma_i$  and  $\sigma$  are tentatively adopted, (numerical values of which were tentatively given in the vicinities of the values cited on the previous page) (2) the values of  $I_i$  are adopted from the complete 19 range of classes of principal earners' incomes in 1964, (3) the intervals of the tentative values for  $V$  were narrowed down to 1, and (4) the range of tentative values of  $V$  was also narrowed down to 35 through 50 instead of 1 through 90.

The results satisfying the conditions are shown in Tab.VI-2, where  $U$  stand for Theil's  $U$  with respect to the fit of theoretical values to the observed ones, and  $\bar{\alpha}$  stands for the value of the objective function (\*\*) which, we expect, is to be minimized for the best set of parameters.

It can be shown from the table that the values of  $V$  satisfying the restrictions and with smaller  $\bar{\alpha}$  are 45 and 46.

The sets of parameters, together with  $V\bar{S}$ , which were found to satisfy restrictions 1 through 7 are summarized in the table below.

$\gamma_2$	100	<u>150</u>	200	
$\gamma_3$	<u>0</u>	<u>10</u>	<u>20</u>	30
$\gamma_4$	6000	<u>7000</u>	8000	<u>9000</u>
$\gamma_5$	-400	-1400	-2400	<u>-3400</u>
$\sigma$	0.188	0.227	0.268	(+)
$V$	45	46	( $\frac{5}{11}$ )	

(\*) Checking whether restrictions were fulfilled or not was carried out using values of  $I$  mentioned in the text. Values of  $\bar{h}$  and  $\Lambda$  used for the check were as follows.

$$\Lambda \text{ max}=1.0, \quad \Lambda \text{ min}=0.25$$

$$\bar{h} \text{ min}=0.25, \quad \bar{h} \text{ max}=0.50$$

(\*\*) We use objective junction,  $\bar{\alpha} = \sum \left\{ \left( \frac{r_i^2 - \bar{r}^2}{r_i^2} \right)^2 + \left( \frac{r_i^2 - \bar{r}^2}{r_i^2} \right)^2 + \left( \frac{r_i^2 - \bar{r}^2}{r_i^2} \right)^2 \right\} n$ ,  
Hence we are minimizing  $\chi^2$ ,

where  $n$  stands for the number of households.

(+) For computation, the value of  $\bar{h}$  was assumed to be  $\frac{1}{3}$

(+) The values for  $\sigma$  are computed using given values of  $w$ ,  $R$ ,  $\gamma_1$ ,  $\gamma_3$ , and  $\gamma_5$ .

Tab. VI-1 The values for  $q_1, q_2, a, \theta, \beta, \gamma$ .  
 The values which do not satisfy the conditions 1 through 7 are shown for the reference

$\alpha$	$l$	$q_1$	$q_2$	$a$	$\theta (-\beta)$	$\beta(0) = \gamma(0)$	$\gamma(\beta)$	$\beta(\gamma)$	$\beta(a)$
10	$l_{min}$	-0.730	1.433	1.515	1.492	1.737	2.058	0.283	1.433
	$l_{med}$	-0.602	1.433	1.554	1.021	1.337	1.595	0.283	1.291
	$l_{max}$	-0.334	1.433	1.313	0.552	0.866	1.125	0.283	1.130
30	$l_{min}$	-0.225	1.419	1.747	0.301	0.770	1.156	0.231	1.578
	$l_{med}$	-0.133		1.453	0.103	0.571	0.954		1.353
	$l_{max}$	-0.0173		1.153	-0.0948	0.374	0.730		1.090
35	$l_{min}$	-0.0952	1.397	1.597	-0.0195	0.515	0.952	0.303	1.650
	$l_{med}$	-0.0225		1.395	-0.152	0.333	0.800		1.349
	$l_{max}$	0.0730		1.096	-0.235	0.250	0.538		1.049
40	$l_{min}$	0.0534	1.374	1.531	-0.250	0.261	0.725	0.328	1.507
	$l_{med}$	0.105		1.220	-0.418	0.194	0.537		1.306
	$l_{max}$	0.153		1.030	-0.484	0.127	0.540		1.006
45	$l_{min}$	0.308	1.251	1.556	-0.651	0.00661	0.325	0.350	1.255
	$l_{med}$	0.314		1.253	-0.532	0.00491	0.337		1.233
	$l_{max}$	0.323		0.954	-0.655	0.00321	0.377		0.954
50	$l_{min}$	$\sqrt{\quad}$	1.202	1.479	-1.042	-0.248	$\sqrt{\quad}$	0.372	1.500
	$l_{med}$	$\sqrt{\quad}$		1.185	-0.978	-0.184	$\sqrt{\quad}$		1.211
	$l_{max}$	$\sqrt{\quad}$		0.901	-0.915	-0.120	$\sqrt{\quad}$		0.923
$\beta = 0.2501$									
$l_{min} = 12.5018, l_{med} = 35.0725, l_{max} = 57.5504$									

$\sqrt{\quad}$  indicates that the value in the root notation is negative.

Tab. VI-2 The sets of parameters fulfilling condition 1 through 7

Case	$r_1$	$r_2$	$r_3$	$r_4$	$\alpha$	$\beta$	$R^2_{24}$	$R^2_{34}$	$R^2_{234}$	$TU_{24}$	$TU_{34}$	$TU_{234}$	$\sigma$	$\sigma(TU_{24}TU_{34}TU_{234})$
1	100	0	5000	-400	.498	43	.555	.554	.470	.381	.372	.205	1.352	6
						44	.440	.554	.453	.329	.415	.317	.300	5
						45	.316	.554	.457	.371	.478	.322	.257	5
						46	.229	.556	.456	.306	.571	.348	.310	5
						47	.181	.573	.454	.226	.747	.354	.353	5
2	100	0	5000	-400	.389	41	.425	.568	.475	.316	.206	.258	.287	5
						42	.350	.567	.474	.260	.225	.311	.244	5
						43	.470	.567	.472	.201	.254	.326	.216	5
						44	.374	.568	.471	.340	.297	.343	.203	5
						45	.204	.569	.470	.577	.382	.381	.213	5
3	100	0	7000	-400	.492	43	.532	.705	.480	.322	.311	.230	.239	5
						44	.311	.705	.473	.383	.350	.313	.436	6
						45	.201	.706	.477	.339	.502	.301	.715	6
						46	.145	.708	.475	.338	.520	.292	.349	5
						47	.105	.712	.475	.325	.316	.289	.117	7
4	100	0	7000	-1400	.293	41	.350	.717	.485	.388	.351	.283	.357	5
						42	.430	.717	.485	.347	.336	.253	.504	5
						43	.236	.717	.485	.301	.420	.336	.432	5
						44	.207	.717	.483	.354	.464	.218	.390	6
						45	.153	.719	.482	.303	.325	.304	.385	5
5	100	0	3000	-1400	.321	39	.508	.739	.495	.395	.392	.303	.298	5
						40	.438	.740	.494	.360	.407	.302	.250	5
						41	.220	.743	.494	.323	.429	.37	.225	5

No 2

Case	r <sub>2</sub>	r <sub>1</sub>	r <sub>4</sub>	r <sub>5</sub>	α	β	R <sup>2</sup> <sub>μ<sup>2</sup></sub>	R <sup>2</sup> <sub>μ<sup>4</sup></sub>	R <sup>2</sup> <sub>μ<sup>10</sup></sub>	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>4</sup></sub>	TU <sub>μ<sup>10</sup></sub>	ρ	ρ <sup>2</sup>	TU <sub>μ<sup>2</sup></sub> <sup>2</sup>	TU <sub>μ<sup>4</sup></sub> <sup>2</sup>	TU <sub>μ<sup>10</sup></sub> <sup>2</sup>
						42	.194	.740	.493	.734	.454	.539	.148	7			
						43	.146	.741	.493	.743	.437	.538	.130	7			
						44	.115	.742	.492	.700	.531	.477	.120	7			
						45	.095	.743	.492	.556	.520	.443	.117	7			
						46	.076	.744	.491	.510	.575	.420	.143	7			
						47	.059	.747	.491	.557	.520	.394	.090	7			
6	100	0	9000	-3400	.273	37	.520	.751	.499	.903	.443	.203	.260	3			
						38	.449	.75	.499	.873	.453	.307	.304	3			
						39	.391	.752	.499	.842	.471	.375	.397	3			
						40	.339	.753	.499	.809	.487	.451	.514	3			
						41	.292	.753	.498	.774	.503	.526	.672	3			
						42	.250	.753	.498	.739	.524	.570	.902	3			
						43	.215	.753	.498	.702	.557	.622	1.201	3			
						44	.170	.754	.498	.665	.599	.654	1.612	3			
						45	.129	.755	.497	.627	.654	.625	2.048	3			
						46	.083	.755	.497	.588	.740	.596	2.556	3			
						47	.037	.757	.497	.545	.863	.557	3.038	3			
7	150	0	5000	-400	.172	45	.315	.447	.441	.751	.211	.346	.755	3	○	○	○
						46	.233	.438	.437	.597	.245	.563	.221	3	○	○	○
						47	.295	.444	.433	.415	.457	.587	.241	3	○	○	○
8	150	0	6000	-1400	.236	43	.309	.326	.423	.753	.235	.711	.142	3			
						44	.306	.373	.424	.623	.249	.702	.453	3			
						45	.302	.359	.419	.496	.265	.743	.600	3	○	○	○
						46	.324	.351	.414	.253	.267	.736	.515	2	○	○	○
						47	.305	.374	.409	.212	.277	.733	.400	2	○	○	○
9	150	0	7000	-400	.172	45	.443	.327	.456	.231	.245	.427	.313	4			○
						46	.359	.324	.455	.203	.233	.462	.140	4			○

No 3

Case	r <sub>2</sub>	r <sub>1</sub>	r <sub>4</sub>	r <sub>5</sub>	α	β	R <sup>2</sup> <sub>μ<sup>2</sup></sub>	R <sup>2</sup> <sub>μ<sup>4</sup></sub>	R <sup>2</sup> <sub>μ<sup>10</sup></sub>	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>4</sup></sub>	TU <sub>μ<sup>10</sup></sub>	ρ	ρ <sup>2</sup>	TU <sub>μ<sup>2</sup></sub> <sup>2</sup>	TU <sub>μ<sup>4</sup></sub> <sup>2</sup>	TU <sub>μ<sup>10</sup></sub> <sup>2</sup>
						47	.199	.533	.482	.552	.559	.495	.171	4			
10	150	0	7000	-1400	.258	42	.350	.351	.453	.305	.254	.502	.527	4			○
						44	.420	.352	.459	.703	.224	.523	.523	3	○	○	○
						45	.539	.345	.455	.559	.195	.597	.196	3	○	○	○
						46	.463	.343	.452	.433	.212	.595	.104	3	○	○	○
						47	.405	.353	.448	.282	.425	.521	.179	3	○	○	○
11	150	0	7000	-2400	.209	42	.014	.333	.449	.559	.422	.521	.195	4			
						43	.000	.269	.444	.573	.391	.547	.259	3	○	○	○
						44	.015	.252	.440	.453	.351	.570	.307	3	○	○	○
						45	.039	.241	.435	.299	.296	.590	.415	3	○	○	○
						46	.057	.240	.431	.225	.240	.709	.292	3	○	○	○
						47	.033	.235	.427	.103	.233	.725	.219	3	○	○	○
12	150	0	3000	-400	.172	45	.215	.712	.484	.393	.432	.287	.362	3			○
						46	.103	.711	.482	.305	.521	.283	.225	3			○
						47	.075	.714	.480	.295	.711	.233	.193	3			○
13	150	0	5000	-1400	.237	43	.413	.354	.483	.205	.173	.233	.192	3			○
						44	.405	.331	.481	.303	.197	.229	.205	4			○
						45	.247	.373	.478	.253	.241	.223	.239	4			○
						46	.133	.380	.473	.273	.237	.257	.204	4			○
						47	.143	.355	.473	.451	.273	.291	.269	4			○
14	150	0	3000	-2400	.209	42	.145	.525	.476	.737	.277	.253	.227	4			○
						43	.009	.519	.474	.555	.250	.286	.750	3	○	○	○
						44	.023	.515	.471	.345	.217	.423	.408	3	○	○	○
						45	.054	.513	.463	.423	.125	.471	.248	3	○	○	○
						46	.091	.514	.455	.313	.200	.505	.193	3	○	○	○
						47	.020	.525	.451	.197	.424	.538	.401	3	○	○	○
15	150	0	3000	-1400	.188	41	.202	.535	.455	.343	.445	.427	.735	3	○	○	○

No 4

Case	$r_2$	$r_3$	$r_4$	$r_5$	$r$	$\rho$	$R^2_{u^2}$	$R^2_{u^4}$	$R^2_{u^{12}}$	$TU_{u^2}$	$TU_{u^4}$	$TU_{u^{12}}$	$\rho$	$\rho$	$TU_{u^2}$	$TU_{u^4}$	$TU_{u^{12}}$
						42	.007	.43	.461	.326	.421	.333	.197	3	○		
						43	.048	.432	.453	.416	.389	.366	.375	2	○		
						44	.118	.474	.454	.313	.346	.356	.472	2	○		
						45	.213	.470	.450	.315	.289	.323	.289	2	○	○	○
						46	.336	.474	.446	.124	.219	.347	.210	2	○	○	○
						47	.499	.498	.442	.081	.310	.369	.453	2	○	○	
16	150	0	9000	-400	.272	45	.100	.745	.494	.944	.533	.313	.333	5			
						46	.041	.744	.492	.557	.702	.461	.373	5			
						47	.025	.746	.491	.313	.320	.411	.348	5			
17	150	0	9000	-1400	.237	43	.321	.735	.49	.353	.371	.491	.257	5			
						44	.136	.733	.49	.366	.405	.435	.137	5			
						45	.098	.733	.49	.310	.460	.335	.311	5			
						46	.070	.734	.49	.725	.351	.342	.331	5			
						47	.052	.737	.48	.527	.735	.309	.373	5			
18	150	0	9000	-2400	.229	42	.380	.712	.482	.377	.178	.174	.420	5			○
						43	.256	.710	.490	.733	.389	.330	.244	5			○
						44	.223	.709	.488	.366	.213	.329	.147	5			○
						45	.170	.710	.487	.337	.254	.284	.223	4			○
						46	.140	.711	.485	.488	.355	.235	.355	4			○
						47	.113	.717	.483	.335	.302	.202	.112	5			○
19	150	0	9000	-3400	.182	41	.375	.666	.487	.748	.382	.232	.351	4			○
						42	.337	.663	.484	.336	.234	.234	.314	4			○
						43	.499	.661	.482	.326	.203	.303	.192	4			○
						44	.416	.659	.480	.422	.203	.332	.121	4			○
						45	.253	.660	.473	.322	.175	.367	.728	3	○		○
						46	.310	.664	.475	.231	.235	.402	.358	3	○	○	○
						47	.253	.673	.472	.159	.445	.440	.113	4			○

No 5

Case	$r_2$	$r_3$	$r_4$	$r_5$	$r$	$\rho$	$R^2_{u^2}$	$R^2_{u^4}$	$R^2_{u^{12}}$	$TU_{u^2}$	$TU_{u^4}$	$TU_{u^{12}}$	$\rho$	$\rho$	$TU_{u^2}$	$TU_{u^4}$	$TU_{u^{12}}$
20	200	0	7000	-400	.193	46	.029	.254	.386	.361	.346	.316	.353	3	○		
						47	.005	.254	.377	.431	.412	.325	.141	3	○		
21	200	0	9000	-400	.188	46	.404	.254	.432	.381	.230	.704	.369	3	○		○
						47	.343	.250	.426	.431	.369	.727	.774	2	○		
22	200	0	9000	-1400	.171	45	.020	.007	.412	.354	.380	.756	.304	3	○		
						46	.002	.000	.404	.466	.329	.785	.120	3	○		
						47	.003	.002	.397	.355	.342	.799	.431	2	○	○	
23	200	0	9000	-2400	.155	44	.154	.322	.396	.380	.325	.317	.335	4			
						45	.132	.343	.377	.332	.485	.328	.734	3	○		
						46	.116	.349	.363	.433	.431	.357	.264	3	○		
						47	.093	.324	.360	.315	.403	.345	.127	3	○		
24	200	0	9000	-400	.183	46	.309	.313	.465	.762	.233	.487	.135	4			○
						47	.215	.313	.450	.347	.483	.343	.318	3	○		
25	200	0	9000	-1400	.171	45	.297	.489	.453	.385	.266	.306	.425	3	○		○
						46	.347	.473	.447	.493	.212	.342	.394	2	○		○
						47	.307	.481	.441	.277	.324	.373	.455	2	○	○	
26	200	0	9000	-2400	.153	44	.012	.209	.438	.348	.446	.366	.352	3	○		
						45	.000	.172	.429	.473	.334	.724	.115	3	○		
						46	.009	.152	.422	.312	.318	.746	.411	2	○		
						47	.043	.173	.415	.155	.239	.765	.249	2	○	○	
27	200	0	9000	-3400	.144	43	.133	.193	.414	.356	.366	.769	.231	4			
						44	.114	.220	.406	.330	.333	.736	.335	3	○		
						45	.099	.224	.397	.421	.488	.300	.200	3	○		
						46	.084	.245	.389	.327	.419	.313	.307	2	○		
						47	.080	.253	.381	.282	.349	.324	.319	2	○	○	
28	100	10	5000	-400	.327	42	.265	.361	.453	.325	.242	.414	.253	5			○
						43	.485	.333	.454	.767	.270	.432	.122	5			○

No 6

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\sigma$	$\tau$	$R^2_{u^2}$	$R^2_{u^4}$	$R^2_{u^{10}}$	$TU_{u^2}$	$TU_{u^4}$	$TU_{u^{10}}$	$\rho$	$\beta$	$TU_{u^2}TU_{u^4}TU_{u^{10}}$
						44	.439	.557	.752	.705	.311	.449	.322	5	
						45	.450	.553	.450	.539	.374	.455	.273	5	
						46	.402	.562	.448	.567	.474	.481	.299	5	
						47	.244	.574	.445	.479	.577	.496	.410	7	
29	100	10	7000	-400	.527	42	.506	.524	.455	.363	.215	.317	.573	5	
						43	.533	.522	.464	.318	.349	.329	.320	5	
						44	.424	.522	.452	.764	.335	.342	.170	5	
						45	.255	.522	.450	.707	.453	.357	.225	5	
						46	.201	.526	.459	.544	.554	.372	.125	7	
						47	.247	.535	.457	.566	.735	.337	.579	5	
30	100	10	7000	-400	.476	40	.455	.567	.473	.350	.323	.294	.329	5	
						41	.545	.555	.477	.501	.240	.324	.153	5	○
						42	.475	.555	.475	.730	.264	.327	.117	5	○
						43	.380	.555	.474	.696	.297	.325	.393	5	○
						44	.225	.555	.473	.541	.343	.315	.303	5	
						45	.273	.555	.471	.534	.409	.327	.125	5	
						46	.223	.571	.470	.522	.511	.241	.215	5	
						47	.195	.579	.468	.451	.708	.256	.255	7	
31	100	10	3000	400	.527	42	.532	.564	.473	.300	.405	.320	.128	5	
						43	.445	.563	.471	.353	.440	.295	.103	7	○
						44	.241	.563	.470	.313	.483	.324	.380	5	○
						45	.272	.564	.468	.764	.342	.296	.158	7	○
						46	.224	.565	.467	.709	.329	.301	.193	5	
						47	.179	.573	.465	.541	.736	.328	.405	5	
32	100	10	3000	-1400	.473	40	.573	.704	.465	.397	.238	.225	.292	5	
						41	.483	.734	.455	.353	.259	.270	.293	5	
						42	.235	.733	.454	.315	.255	.349	.252	5	

No 7

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\sigma$	$\tau$	$R^2_{u^2}$	$R^2_{u^4}$	$R^2_{u^{10}}$	$TU_{u^2}$	$TU_{u^4}$	$TU_{u^{10}}$	$\rho$	$\beta$	$TU_{u^2}TU_{u^4}TU_{u^{10}}$
						43	.270	.734	.483	.772	.420	.330	.282	5	
						44	.217	.734	.481	.725	.466	.315	.320	5	
						45	.190	.736	.480	.577	.329	.304	.113	7	
						46	.151	.738	.479	.524	.518	.297	.395	5	○
						47	.121	.714	.473	.562	.732	.293	.319	7	○
33	100	10	3000	-1400	.390	38	.586	.734	.485	.315	.286	.542	.143	7	
						39	.300	.734	.495	.394	.400	.314	.105	7	
						40	.233	.734	.494	.350	.415	.335	.315	5	
						41	.237	.734	.494	.214	.438	.355	.561	5	
						42	.191	.735	.493	.776	.465	.326	.553	5	
						43	.143	.735	.492	.737	.499	.497	.582	5	
						44	.121	.735	.492	.597	.543	.469	.724	5	
						45	.102	.737	.491	.555	.391	.442	.174	7	
						46	.065	.739	.490	.511	.534	.415	.136	7	
						47	.269	.742	.489	.550	.328	.392	.496	7	
34	150	10	6000	-450	.334	44	.300	.338	.440	.737	.245	.545	.113	4	
						45	.341	.375	.43	.534	.277	.565	.220	3	
						46	.473	.369	.431	.496	.251	.562	.112	3	
						47	.320	.331	.427	.335	.453	.538	.125	3	
35	150	10	7000	-400	.334	44	.330	.383	.482	.329	.190	.475	.332	4	
						45	.454	.374	.459	.712	.217	.505	.124	4	○
						46	.354	.372	.455	.553	.300	.532	.712	3	○
						47	.229	.379	.453	.444	.524	.553	.109	4	
36	150	10	7000	-1400	.283	43	.175	.524	.457	.734	.270	.350	.599	3	○
						44	.427	.494	.453	.513	.238	.577	.322	3	○
						45	.521	.483	.450	.493	.229	.502	.157	3	○
						46	.524	.457	.445	.370	.221	.524	.359	2	○

№ 8

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	r <sub>5</sub>	α	γ	R <sup>2</sup> <sub>μ<sup>2</sup></sub>	R <sup>2</sup> <sub>μ<sup>3</sup></sub>	R <sup>2</sup> <sub>μ<sup>4</sup></sub>	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>3</sup></sub>	TU <sub>μ<sup>4</sup></sub>	β	γ	TU <sub>μ<sup>2</sup></sub> ·TU <sub>μ<sup>3</sup></sub> ·TU <sub>μ<sup>4</sup></sub>		
37	150	10	7000	-2400	254	41	.473	.501	.442	.232	.433	.545	.193	3	○	○	
						42	.301	.349	.446	.5355	.409	.535	.525	3	○		
						43	.005	.332	.442	.5222	.378	.555	.168	3	○		
						44	.029	.318	.433	.415	.339	.576	.750	2	○		
						45	.072	.310	.434	.312	.339	.584	.392	2	○	○	
38	150	10	3000	-400	234	44	.292	.340	.425	.105	.353	.724	.405	3	○	○	
						45	.253	.366	.475	.190	.325	.320	.122	5		○	
						46	.189	.366	.472	.333	.425	.355	.771	4			
						47	.149	.371	.470	.357	.341	.325	.116	5			
						48	.120	.370	.470	.355	.329	.325	.116	5			
39	150	10	3000	-1400	233	43	.553	.340	.476	.308	.179	.350	.510	4		○	
						44	.421	.335	.473	.703	.191	.381	.325	4		○	
						45	.320	.334	.470	.395	.209	.412	.193	4		○	
						46	.277	.335	.463	.485	.234	.444	.134	4		○	
						47	.229	.345	.465	.353	.338	.474	.202	4			
40	150	10	3000	-3400	254	41	.334	.358	.474	.320	.316	.397	.510	5			
						42	.257	.350	.471	.707	.293	.432	.139	4		○	
						43	.197	.374	.468	.595	.354	.455	.713	3	○	○	
						44	.137	.388	.465	.485	.422	.497	.412	3	○	○	
						45	.110	.386	.462	.373	.195	.527	.255	3	○	○	
41	150	10	3000	-3400	227	40	.400	.354	.455	.164	.422	.530	.378	3	○	○	
						41	.301	.467	.452	.502	.432	.535	.456	3	○		
						42	.222	.455	.453	.495	.407	.565	.192	3	○		

№ 9

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	r <sub>5</sub>	α	γ	R <sup>2</sup> <sub>μ<sup>2</sup></sub>	R <sup>2</sup> <sub>μ<sup>3</sup></sub>	R <sup>2</sup> <sub>μ<sup>4</sup></sub>	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>3</sup></sub>	TU <sub>μ<sup>4</sup></sub>	β	γ	TU <sub>μ<sup>2</sup></sub> ·TU <sub>μ<sup>3</sup></sub> ·TU <sub>μ<sup>4</sup></sub>	
						43	.066	.444	.455	.286	.374	.392	.101	3	○	
						44	.131	.437	.451	.302	.332	.317	.591	2	○	
						45	.211	.424	.447	.212	.277	.339	.374	2	○	○
						46	.216	.439	.443	.127	.218	.359	.275	2	○	○
						47	.472	.465	.439	.081	.324	.373	.502	2	○	○
42	150		3000	-400	234	44	.298	.715	.468	.323	.425	.344	.235	5		
						45	.133	.713	.465	.355	.480	.314	.147	5		
						46	.093	.714	.484	.777	.359	.294	.385	5		○
						47	.074	.717	.482	.561	.746	.235	.122	5		○
						48	.112	.704	.488	.372	.249	.316	.999	5		○
43	150	10	3000	-1400	233	44	.224	.702	.465	.790	.235	.235	.548	5		○
						45	.164	.702	.484	.703	.345	.287	.315	5		○
						46	.103	.703	.482	.511	.446	.291	.206	5		○
						47	.103	.703	.480	.307	.562	.304	.205	5		○
						48	.171	.681	.488	.535	.139	.299	.105	5		○
44	150	10	3000	-2400	254	42	.534	.573	.456	.793	.191	.283	.250	5		○
						43	.288	.576	.484	.685	.175	.390	.143	5		○
						44	.227	.575	.492	.559	.192	.304	.350	4		○
						45	.249	.575	.480	.503	.216	.327	.525	4		○
						46	.215	.577	.477	.463	.209	.355	.366	4		○
45	150	10	3000	-3400	227	40	.082	.535	.484	.792	.322	.295	.107	5		○
						41	.053	.531	.482	.685	.304	.315	.456	4		○
						42	.039	.527	.479	.580	.291	.344	.274	4		○
						43	.029	.524	.477	.480	.251	.375	.157	4		○
						44	.022	.522	.474	.353	.216	.409	.104	4		○

No 10

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	r <sub>5</sub>	s	z	R <sup>2</sup> <sub>u<sup>2</sup></sub>	R <sup>2</sup> <sub>u<sup>4</sup></sub>	R <sup>2</sup> <sub>u<sup>16</sup></sub>	TU <sub>u<sup>2</sup></sub>	TU <sub>u<sup>4</sup></sub>	TU <sub>u<sup>16</sup></sub>	ρ	α	TU <sub>u<sup>2</sup></sub>	TU <sub>u<sup>4</sup></sub>	TU <sub>u<sup>16</sup></sub>
						45	.291	.527	.459	.202	.204	.474	.435	3	○	○	○
						47	.327	.541	.456	.132	.433	.534	.301	3	○	○	○
45	200	10	7000	-400	.229	45	.023	.045	.399	.734	.372	.729	.150	4			
						45	.008	.075	.392	.550	.333	.501	.253	3	○		
						47	.000	.061	.334	.348	.397	.312	.373	2	○		
47	220	10	3000	-400	.229	45	.136	.341	.436	.763	.266	.532	.323	3	○		○
						45	.411	.320	.431	.553	.226	.706	.150	3	○		○
						47	.523	.325	.424	.351	.374	.725	.177	2	○		
48	220	10	3000	-1400	.220	44	.327	.059	.422	.737	.418	.740	.163	4			
						45	.003	.054	.415	.565	.371	.733	.241	3	○		
						45	.001	.023	.403	.401	.213	.773	.733	2	○		
						47	.019	.335	.401	.227	.344	.737	.405	2	○	○	
49	200	10	9000	-400	.229	45	.553	.573	.463	.318	.135	.310	.136	4			○
						45	.366	.570	.458	.543	.221	.550	.469	3	○		○
						47	.234	.573	.453	.447	.443	.525	.261	3	○		
50	220	10	9000	-1400	.227	44	.118	.57	.454	.777	.213	.592	.117	4			
						45	.442	.449	.449	.539	.265	.526	.199	2	○		○
						45	.533	.433	.444	.424	.215	.553	.303	2	○		
						47	.532	.449	.433	.234	.340	.561	.453	2	○		
51	220	10	9000	-1400	.189	43	.321	.250	.442	.741	.459	.570	.227	4			
						44	.00021	.215	.435	.576	.422	.596	.243	3	○		
						45	.006	.183	.430	.424	.270	.719	.174	2	○		
						46	.025	.177	.423	.230	.297	.739	.232	2	○	○	○
						47	.087	.203	.417	.140	.201	.756	.251	2	○	○	
52	200	10	9000	-1400	.174	42	.123	.305	.425	.723	.553	.733	.201	5			
						43	.096	.320	.413	.593	.533	.733	.175	3	○		
						44	.078	.364	.411	.476	.504	.771	.253	3	○		

No 11

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	r <sub>5</sub>	s	z	R <sup>2</sup> <sub>u<sup>2</sup></sub>	R <sup>2</sup> <sub>u<sup>4</sup></sub>	R <sup>2</sup> <sub>u<sup>16</sup></sub>	TU <sub>u<sup>2</sup></sub>	TU <sub>u<sup>4</sup></sub>	TU <sub>u<sup>16</sup></sub>	ρ	α	TU <sub>u<sup>2</sup></sub>	TU <sub>u<sup>4</sup></sub>	TU <sub>u<sup>16</sup></sub>
						45	.265	.092	.404	.373	.455	.735	.111	3	○		
						45	.052	.094	.397	.285	.267	.739	.564	2	○	○	
						47	.320	.040	.350	.222	.234	.909	.400	2	○	○	
53	150	20	7000	-1400	.343	42	.343	.453	.455	.773	.310	.591	.242	4			
						43	.233	.441	.451	.560	.293	.525	.319	3	○		○
						44	.264	.431	.447	.549	.231	.507	.396	3	○		○
						45	.451	.425	.444	.439	.222	.523	.213	3	○		○
						46	.509	.425	.430	.326	.232	.546	.132	3	○		○
						47	.517	.444	.426	.197	.432	.564	.225	3	○	○	
54	150	20	3000	-1400	.343	42	.352	.594	.472	.329	.215	.396	.183	5			
						43	.533	.533	.469	.727	.199	.425	.730	4			○
						44	.475	.523	.456	.523	.163	.455	.415	4			○
						45	.417	.530	.453	.322	.201	.483	.221	4			○
						46	.370	.532	.450	.415	.274	.539	.144	4			○
						47	.316	.533	.457	.239	.311	.534	.223	4			○
55	150	20	3000	-1400	.266	41	.285	.340	.468	.755	.328	.457	.404	4			○
						42	.239	.332	.465	.343	.304	.487	.192	4			
						43	.450	.324	.462	.45	.274	.315	.105	4			○
						44	.515	.319	.459	.443	.239	.542	.603	3	○		○
						45	.528	.317	.455	.344	.206	.566	.361	3	○		○
						46	.514	.320	.452	.244	.214	.589	.245	3	○	○	○
						47	.487	.323	.449	.140	.424	.310	.424	3	○	○	
56	150	20	3000	-1400	.266	40	.301	.440	.462	.573	.443	.537	.136	4			
						41	.006	.425	.453	.372	.423	.554	.335	3	○		
						42	.031	.414	.455	.474	.397	.539	.261	3	○		
						43	.071	.404	.451	.382	.264	.312	.142	3	○		
						44	.121	.397	.447	.294	.223	.333	.333	3	○	○	



No. 12

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\sigma$	$\sigma$	$R^2_{u^2}$	$R^2_{u^2}$	$R^2_{u^{10}}$	$TU_{u^2}$	$TU_{u^2}$	$TU_{u^{10}}$	$\sigma$	$\sigma$	$TU_{u^2}$	$TU_{u^2}$	$TU_{u^{10}}$
						45	.186	.385	.444	.209	.371	.552	.550	2	○	○	○
						46	.278	.491	.440	.130	.222	.570	.492	2	○	○	○
						47	.431	.430	.435	.083	.253	.585	.512	2	○	○	○
57	150	20	9000	-1400	.245	42	.559	.557	.483	.377	.193	.232	.202	5			○
						43	.404	.554	.481	.792	.196	.293	.375	5			○
						44	.296	.562	.473	.705	.224	.313	.493	5			○
						45	.245	.561	.475	.515	.273	.344	.250	5			○
						46	.211	.563	.474	.521	.280	.353	.153	5			○
						47	.177	.570	.471	.416	.310	.384	.163	5			○
58	150	20	9000	-2400	.200	41	.438	.344	.482	.318	.220	.303	.555	5			○
						42	.535	.340	.480	.723	.204	.223	.273	5			○
						43	.444	.536	.473	.725	.193	.245	.182	5			○
						44	.278	.534	.475	.535	.180	.273	.351	4			○
						46	.203	.534	.473	.442	.199	.401	.497	4			○
						45	.226	.537	.470	.250	.220	.420	.321	4			○
						47	.251	.549	.457	.254	.323	.453	.443	4			○
59	150	20	9000	-2400	.253	40	.133	.553	.479	.740	.237	.249	.106	5			○
						41	.256	.582	.477	.539	.218	.273	.524	4			○
						42	.505	.587	.474	.541	.233	.409	.341	4			○
						43	.525	.585	.471	.445	.253	.440	.231	4			○
						44	.523	.551	.468	.356	.227	.459	.121	4			○
						45	.437	.531	.455	.252	.183	.498	.755	3	○	○	○
						46	.451	.536	.453	.183	.207	.524	.524	3	○	○	○
						47	.394	.503	.459	.113	.429	.549	.356	3	○	○	○
60	200	20	8000	-1400	.245	43	.346	.102	.423	.317	.439	.715	.182	5			○
						44	.206	.371	.422	.555	.404	.734	.547	3	○		○
						45	.200	.250	.415	.504	.355	.751	.144	3	○		○

No. 13

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\sigma$	$\sigma$	$R^2_{u^2}$	$R^2_{u^2}$	$R^2_{u^{10}}$	$TU_{u^2}$	$TU_{u^2}$	$TU_{u^{10}}$	$\sigma$	$\sigma$	$TU_{u^2}$	$TU_{u^2}$	$TU_{u^{10}}$
						45	.205	.342	.410	.287	.292	.755	.545	2	○		○
						47	.333	.091	.414	.201	.353	.773	.331	2	○		○
61	200	20	9000	-1400	.245	43	.305	.442	.455	.353	.342	.532	.103	5			○
						44	.220	.423	.451	.591	.312	.513	.453	3	○		○
						45	.416	.407	.455	.533	.255	.541	.131	3	○		○
						46	.530	.400	.440	.375	.222	.556	.531	2	○		○
						47	.533	.414	.435	.224	.353	.583	.494	2	○		○
62	200	20	9000	-2400	.223	43	.303	.239	.441	.372	.442	.573	.537	3	○		○
						44	.303	.239	.435	.525	.404	.596	.159	3	○		○
						45	.016	.189	.429	.389	.353	.716	.510	2	○		○
						46	.340	.182	.424	.259	.225	.734	.355	2	○		○
						47	.113	.211	.413	.131	.315	.750	.257	2	○		○
63	150	20	9000	-1400	.402	41	.090	.541	.457	.353	.250	.425	.140	5			○
						42	.570	.532	.454	.761	.241	.453	.532	5			○
						43	.504	.535	.451	.562	.221	.439	.223	5			○
						44	.511	.519	.453	.554	.224	.514	1.200	4			○
						45	.493	.515	.453	.456	.206	.537	.477	4			○
						46	.455	.513	.451	.353	.255	.559	.250	4			○
						47	.407	.533	.443	.251	.497	.530	.259	4			○
64	150	20	9000	-2400	.250	40	.311	.499	.456	.906	.353	.473	.253	5			○
						41	.103	.487	.453	.704	.223	.505	.255	4			○
						42	.248	.477	.460	.504	.314	.530	.457	4			○
						43	.289	.459	.456	.507	.224	.554	.233	4			○
						44	.447	.453	.453	.412	.250	.577	.125	4			○
						45	.494	.451	.450	.319	.217	.597	.594	3	○		○
						46	.518	.453	.443	.224	.225	.517	.423	3	○		○
						47	.511	.456	.443	.122	.427	.534	.553	3	○		○

VI-2

No. 14

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	r <sub>5</sub>	a	v	R <sup>2</sup> <sub>u<sup>d</sup></sub>	R <sup>2</sup> <sub>u<sup>e</sup></sub>	R <sup>2</sup> <sub>u<sup>d</sup></sub>	TU <sub>u<sup>d</sup></sub>	TU <sub>u<sup>e</sup></sub>	TU <sub>u<sup>d</sup></sub>	TU <sub>u<sup>e</sup></sub>	TU <sub>u<sup>d</sup></sub>	TU <sub>u<sup>e</sup></sub>	TU <sub>u<sup>d</sup></sub>	TU <sub>u<sup>e</sup></sub>	
	150	30	9000	-1400	.402	41	.277	.622	.478	.894	.191	.319	.536	5				
						42	.540	.617	.475	.810	.186	.349	.541	6				
						43	.456	.613	.473	.722	.186	.362	.211	6				
						44	.385	.610	.470	.634	.200	.386	.905	5				
						45	.339	.608	.467	.544	.242	.412	.408	5				
						46	.303	.611	.465	.450	.338	.437	.202	5				
						47	.260	.622	.462	.346	.573	.461	.182	5				
66	150	30	9000	-2400	.350	40	.140	.605	.479	.853	.264	.336	.270	6				
						41	.450	.599	.476	.760	.247	.360	.117	6				
						42	.531	.594	.474	.667	.228	.386	.544	5				
						43	.497	.590	.471	.576	.207	.413	.262	5				
						44	.455	.587	.468	.486	.191	.440	.133	5				
						45	.418	.586	.465	.396	.196	.466	.706	4				
						46	.381	.590	.463	.307	.265	.491	.406	4				
						47	.330	.604	.460	.213	.503	.415	.455	4				
67	200	30	9000	-1400	.285	43	.050	.396	.451	.775	.348	.604	.139	4				
						44	.227	.377	.446	.627	.312	.631	.305	3				
						45	.358	.362	.441	.484	.267	.655	.110	3				
						46	.442	.357	.436	.342	.229	.676	.485	2				
						47	.516	.375	.431	.184	.366	.695	.552	2				
68	200	30	9000	-2400	.258	42	.015	.247	.444	.764	.457	.654	.265	4				
						43	.000	.218	.439	.621	.429	.677	.369	3				
						44	.007	.194	.434	.488	.301	.698	.124	3				
						45	.021	.178	.428	.364	.341	.716	.540	2				
						46	.046	.175	.423	.244	.278	.732	.282	2				
						47	.121	.206	.417	.127	.330	.747	.295	2				

Figures of parameters under which bars are attached give relatively small values for  $\phi$  (the smaller  $\phi$ , the more favorable).

With regard to  $\gamma_3$ ,  $\gamma_4$  and  $\gamma_5$ , the values 0, 9000 and -3400 respectively are terminal values of the ranges for the parameters. Among those ranges, tentative values of parameters were given to compute theoretical values for  $\mu_e$ ,  $\mu_{ed}$  and  $\mu_d$ .

By employing those theoretical values and corresponding observed values, numerical values for objective function  $\phi$  were computed. Examining values for  $\phi$ , it was found, with respect  $\gamma_4$  and  $\gamma_5$ , terminal values 9000 and -3400, respectively, yielded relatively smaller values of  $\phi$ .

Hence, we extended the range of trial values of the parameters  $\gamma_4$  and  $\gamma_5$ . The range for  $\gamma_3$  was not extended because the analyses in the previous sections show that positive values for  $\gamma_3$  give relatively favorable results. Thus we extended as shown below ranges for the values of  $\gamma_4$  and  $\gamma_5$  tentatively given to compute (new) theoretical values for  $\mu^e$ ,  $\mu^{ed}$  and  $\mu^d$ .

$\gamma_2$	150			
$\gamma_3$	0	10	20	
$\gamma_4$	9000	10000	11000	12000
$\gamma_5$	-3400	-4400	-5400	-6400

The tentative value for  $h$  is fixed at  $1/3$ . The computations were conducted for the year 1964.

Among the sets of parameters tried (See Tab. VI-3) the following sets were adopted.

Tab.VI-3 The sets of parameters satisfying the conditions for the year 1964

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\alpha$	$\beta$	$TU_{\mu^2}$	$TU_{\mu^4}$	$TU_{\mu^{14}}$	$\phi$	$\psi$	$TU_{\mu^2}$	$TU_{\mu^4}$	$TU_{\mu^{14}}$	判定
1	150	0	9000	-3400	.133	.44	.422	.208	.332	.121	4				
						.45	.323	.176	.367	.798	3	○	○	○	
						.46	.231	.206	.403	.598	3	○	○	○	
2	150	0	9000	-3400	.227	.44	.442	.202	.430	.326	2	○	○	○	
						.45	.345	.173	.463	.503	2	○	○	○	
						.46	.248	.213	.494	.401	2	○	○	○	
3	150	0	9000	-3400	.253	.44	.470	.210	.516	.597	2	○	○	○	
						.45	.377	.194	.541	.379	2	○	○	○	
						.46	.280	.234	.564	.248	2	○	○	○	
4	150	0	9000	-4400	.158	.44	.231	.321	.540	.317	2	○	○	○	
						.45	.151	.263	.569	.221	2	○	○	○	
						.46	.087	.198	.596	.182	2	○	○	○	
5	150	0	9000	-4400	.227	.44	.293	.301	.602	.294	2	○	○	○	
						.45	.213	.250	.523	.200	2	○	○	○	
						.46	.137	.210	.543	.156	2	○	○	○	
6	150	0	9000	-4400	③										
7	150	0	9000	-5400	①										
8	150	0	9000	-4400	③										
9	150	0	9000	-4400	③										
10	150	0	9000	-4400	③										
11	150	0	9000	-4400	③										
12	150	0	9000	-4400	③										
13	150	0	10000	-3400	.158	.44	.594	.249	.411	.652	5			○	
						.45	.508	.208	.262	.403	5				
						.46	.425	.415	.323	.215	5				
						.44	.570	.198	.257	.362	3	○	○	○	

No 2

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\alpha$	$\beta$	$TU_{\mu^2}$	$TU_{\mu^4}$	$TU_{\mu^{14}}$	$\phi$	$\psi$	$TU_{\mu^2}$	$TU_{\mu^4}$	$TU_{\mu^{14}}$	判定
14	150	0	10000	-3400	.227	.45	.483	.251	.271	.621	3	○	○	○	
						.45	.395	.356	.286	.548	3	○	○	○	
15	150	0	10000	-3400	.253	.44	.562	.185	.322	.159	3	○	○	○	
						.45	.475	.220	.350	.294	2	○	○	○	
						.46	.386	.230	.378	.311	2	○	○	○	
16	150	0	10000	-4400	.158	.44	.334	.185	.295	.630	3	○	○	○	
						.45	.252	.170	.322	.442	3	○	○	○	
						.46	.178	.233	.353	.360	3	○	○	○	
17	150	0	10000	-4400	.227	.44	.359	.191	.395	.465	2	○	○	○	
						.45	.276	.175	.426	.311	2	○	○	○	
						.46	.193	.224	.456	.234	2	○	○	○	
18	150	0	10000	-4400	③										
19	150	0	10000	-3400	①										
20	150	0	10000	-3400	③										
21	150	0	10000	-3400	③										
22	150	0	10000	-3400	①										
23					③										
24					③										
25	150	0	11000	-3400	.139	.44	.755	.523	.738	.553	5				
						.45	.691	.579	.592	.404	5				
						.46	.624	.564	.542	.128	7				
26	150	0	11000	-3400	.227	.44	.703	.390	.470	.133	5				
						.45	.632	.454	.423	.953	4				
						.46	.558	.553	.379	.792	4				
27	150	0	11000	-3400	.253	.44	.667	.307	.275	.711	3	○	○	○	
						.45	.592	.373	.250	.519	3	○	○	○	
	150	0	11000	-3400	.253	.46	.314	.479	.255	.489	3	○	○	○	

No 3

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>1</sub>	r <sub>5</sub>	α	β	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>10</sup></sub>	TU <sub>μ<sup>100</sup></sub>	ρ	σ	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>100</sup></sub>	μ <sub>μ</sub>
32	150	0	11000	-4400	.198	44	.506	.259	.431	.210	5				
							.431	.232	.382	.142	5				
							.360	.134	.340	.106	5				
33	150	0	11000	-4400	.227	44	.483	.201	.251	.191	3	○	○	○	
							.40	.259	.250	.200	3	○	○	○	
							.329	.253	.270	.291	3	○	○	○	
30	150	0	11000	-4400	.253	44	.479	.183	.310	.323	2	○	○	○	
							.402	.226	.325	.357	2	○	○	○	
							.323	.238	.362	.325	2	○	○	○	
31	150	0	11000	-4400	.199	44	.258	.171	.271	.279	3	○	○	○	μ
							.199	.171	.239	.230	3	○	○	○	μ
							.142	.245	.313	.245	3	○	○	○	μ
32	150	0	11000	-4400	⊙										
33					⊙										
34	150	0	11000	-4400	⊙										
35					⊙										
36					⊙										
37	150	0	12000	-3400	.198	44	.573	.732	.913	.263	7				
							.533	.795	.892	.241	7				
							.739	.344	.567	.255	7				
38	150	0	12000	-3400	.227	44	.312	.507	.725	.233	5				
							.731	.555	.555	.152	5				
							.706	.723	.543	.117	5				
39	150	0	12000	-3400	.253	44	.753	.481	.476	.425	4				
							.704	.541	.424	.328	4				
							.540	.630	.394	.313	4				
40	150	0	12000	-4400	.153	44	.573	.517	.725	.750	5				

No 4

Case	r <sub>2</sub>	r <sub>3</sub>	r <sub>1</sub>	r <sub>5</sub>	α	β	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>100</sup></sub>	ρ	σ	TU <sub>μ<sup>2</sup></sub>	TU <sub>μ<sup>2</sup></sub>	μ <sub>μ</sub>	
41	150	0	12000	-4400	.227	44	.517	.577	.592	.459	5				
							.555	.556	.546	.327	5				
							.520	.382	.460	.448	4				
42	150	0	12000	-4400	.253	44	.554	.449	.416	.343	4				
							.496	.552	.373	.214	4				
							.515	.268	.252	.250	3	○	○	○	
43	150	0	12000	-4400	.193	44	.432	.271	.443	.264	4	○	○	○	
							.357	.339	.400	.332	4				
							.305	.453	.357	.511	4				
44	150	0	12000	-4400	.227	44	.412	.203	.257	.210	3	○	○	○	
							.342	.259	.252	.170	3	○	○	○	
							.276	.260	.253	.182	3	○	○	○	
45	150	0	12000	-4400	⊙										
46	150	0	12000	-4400	.198	44	.217	.164	.250	.254	3	○	○	○	μ
							.153	.130	.257	.196	3	○	○	○	μ
							.113	.271	.283	.184	3	○	○	○	μ
47	150	0	12000	-4400	⊙										
48					⊙										
49	150	10	9000	-3400	.193	44	.270	.227	.228	.127	5		○		
							.231	.192	.257	.273	5		○	○	
							.207	.205	.391	.280	5		○	○	
50	150	10	9000	-3400	.227	44	.383	.215	.409	.104	4		○		
50	150	10	9000	-3400	.227	45	.290	.184	.442	.575	2	○	○	○	
							.202	.204	.474	.495	2	○	○	○	
							.406	.215	.439	.301	2	○	○	○	

No 5

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\alpha$	$\beta$	$TU_{\mu^4}$	$TU_{\mu^5}$	$TU_{\mu^{10}}$	$\phi$	$\phi$	$\phi$	$TU_{\mu^4}$	$TU_{\mu^5}$	$TU_{\mu^{10}}$	判定
						45	.315	.189	.516	.511	2	○				
						45	.222	.216	.541	.413	2	○	○	○		
52	150	10	9000	-4400	.188	44	.183	.233	.515	.606	3	○	○			
						45	.110	.273	.547	.382	3	○	○	○		
						46	.374	.202	.576	.282	3	○	○	○		
53	150	10	9000	-4400	.227	44	.228	.309	.576	...	2	○	○			
						45	.181	.254	.600	...	2	○	○	○		
						46	.096	.202	.621	...	2	○	○	○		
54	150	10	9000	-4400	③											
55	150	10	9000	-5400	④											
56					⑤											
57					⑥											
58	150	10	9000	-5400	⑦											
59					⑧											
60					⑨											
61	150	10	10000	-3400	.188	44	.541	.242	.456	.294	5			○		
						45	.450	.226	.403	.570	5			○		
						46	.397	.399	.353	.262	6					
62	150	10	10000	-5400	.227	44	.517	.194	.293	.270	5			○	○	
						45	.433	.240	.287	.188	5			○	○	
						46	.352	.341	.293	.114	5				○	
63	150	10	10000	-3400	.258	44	.506	.177	.210	.633	3	○		○		
						45	.421	.215	.235	.451	3	○		○		
	150	10	10000	-5400	.253	46	.336	.211	.262	.285	3	○				
64	150	10	10000	-4400	.188	44	.297	.204	.301	.314	5		○	○		
						45	.224	.182	.319	.157	5		○	○		
						46	.169	.221	.345	.113	5		○	○		

No 6

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\alpha$	$\beta$	$TU_{\mu^4}$	$TU_{\mu^5}$	$TU_{\mu^{10}}$	$\phi$	$\phi$	$\phi$	$TU_{\mu^4}$	$TU_{\mu^5}$	$TU_{\mu^{10}}$	判定
65	150	10	10000	-4400	.227	44	.312	.200	.370	.256	3	○		○		
						45	.222	.175	.405	.276	3	○	○	○		
						46	.159	.214	.435	.225	3	○	○	○		
66	150	10	10000	-4400	③											
67	150	10	10000	-5400	.188	44	.133	.204	.462	.337	3	○	○			
						45	.080	.245	.494	.227	3	○	○	○		
						46	.084	.186	.524	.169	3	○	○	○		
68	150	10	10000	-5400	④											
69	150	10	10000	-3400	⑤											
70	150	10	10000	-5400	⑥											
71	150	10	10000	-5400	⑦											
72	150	10	10000	-5400	⑧											
73	150	10	11000	-3400	.182	44	.706	.438	.764	.297	7					
						45	.540	.355	.718	.211	7					
						46	.575	.347	.565	.245	7					
74	150	10	11000	-5400	.227	44	.655	.370	.513	.714	6					
						45	.534	.424	.464	.412	6					
						46	.512	.335	.417	.253	6					
75	150	10	11000	-3400	.258	44	.518	.293	.314	.554	4					
						45	.344	.254	.291	.458	4					
						46	.453	.461	.277	.272	4					○
76	150	10	11000	-4400	.183	44	.457	.252	.476	.213	6		○			
	150	10	11000	-4400	.183	45	.297	.312	.424	.271	6					
						46	.335	.422	.378	.571	6					
77	150	10	11000	-4400	.227	44	.441	.196	.291	.377	4			○	○	
						45	.367	.243	.280	.461	4			○	○	
						46	.297	.253	.291	.252	4		○		○	

No 7

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\alpha$	$\beta$	$TU_{\mu^2}$	$TU_{\mu^3}$	$TU_{\mu^4}$	$\delta$	$\epsilon$	$TU_{\mu^5}$	$TU_{\mu^6}$	$TU_{\mu^7}$	$\eta$
78	150	10	11000	-4400	.253	44	.434	.178	.298	.241	3	○	○	○	
						45	.353	.220	.320	.181	3	○	○		
						46	.222	.321	.345	.173	3	○	○		
79	150	10	11000	-5400	.188	44	.241	.195	.287	.255	3	○	○	○	△
						45	.131	.173	.234	.109	4	○	○	○	△
						46	.142	.242	.311	.192	4	○	○		
80	150	10	11000	-5400	.227	44	.257	.195	.345	.189	3	○	○	○	
						45	.188	.172	.374	.140	3	○	○	○	
						46	.127	.122	.403	.125	3	○	○	○	
81	150	10	11000	-5400	③										
82	150	10	11000	-5400	③										
83					③										
84					③										
85	150	10	12000	-3400	.193	44	.325	.140	.323	.377	7				
						45	.791	.177	.902	.421	7				
						46	.143	.322	.378	.327	7				
86	150	10	12000	-3400	.227	44	.774	.533	.732	.102	7				
						45	.719	.537	.712	.357	6				
						46	.562	.714	.570	.102	7				
87	150	10	12000	-3400	.253	44	.722	.450	.519	.379	5				
						45	.561	.521	.475	.456	5				
	150	10	12000	-3400	.193	45	.525	.514	.433	.345	5				
88	150	10	12000	-4400	.188	44	.555	.427	.781	.443	5				
						45	.575	.539	.713	.418	5				
						46	.515	.562	.572	.185	7				
89	150	10	12000	-4400	.227	44	.590	.356	.504	.115	5				
						45	.515	.433	.458	.743	5				

No 8

Case	$r_2$	$r_3$	$r_4$	$r_5$	$\alpha$	$\beta$	$TU_{\mu^2}$	$TU_{\mu^3}$	$TU_{\mu^4}$	$\delta$	$\epsilon$	$TU_{\mu^5}$	$TU_{\mu^6}$	$TU_{\mu^7}$	$\eta$	
90	150	10	12000	-4400	.258	44	.450	.533	.414	.325	5		○			
						45	.543	.224	.321	.194	4			○		
						46	.475	.351	.321	.140	4				○	
						46	.405	.451	.259	.123	4				○	
91	150	10	12000	-5400	.188	44	.404	.254	.492	.372	6		○			
						45	.343	.320	.442	.223	6					
						46	.220	.443	.386	.146	5		○			
92	150	10	12000	-5400	.227	44	.375	.221	.289	.233	4		○	○		
						45	.313	.259	.275	.174	4			○	○	
						46	.251	.370	.271	.146	4		○		○	
93	150	10	12000	-5400	①											
94	150	10	12000	-5400	.188	44	.197	.173	.224	.486	4		○	○	○	△
						45	.149	.122	.130	.324	4		○	○	○	△
						46	.122	.255	.228	.250	4		○	○	○	△
95	150	10	12000	-5400	②											
96					③											
97	150	20	99000	-3400	.188	44	.324	.122	.220	.550	6		○			
						45	.255	.214	.254	.255	6		○	○		
						46	.205	.213	.285	.517	5		○	○		
98	150	20	99000	-3400	.227	44	.329	.122	.225	.342	5		○			
	150	20	99000	-3400	.227	45	.254	.159	.427	.442	5		○	○		
						46	.181	.223	.450	.243	5		○	○		
99	150	20	99000	-3400	.253	44	.355	.227	.469	.121	4		○			
						45	.253	.193	.498	.255	3		○	○	○	
						46	.193	.227	.324	.524	3		○	○	○	
100	150	20	99000	-4400	.188	44	.155	.347	.496	.531	5		○			
						45	.095	.258	.329	.297	5		○	○		

No. 9

Case	$r_1$	$r_2$	$r_3$	$r_4$	$\alpha$	$\beta$	$TU_{A^1}$	$TU_{A^2}$	$TU_{A^3}$	$\rho$	$\sigma$	$TU_{A^1}$	$TU_{A^2}$	$TU_{A^3}$	判定
						45	.294	.214	.560	.159	5	○	○		
101	150	20	9000	-400	.227	44	.195	.319	.555	.552	3	○	○		
						45	.124	.282	.531	.350	3	○	○		
						45	.377	.204	.305	.238	3	○	○		
102	150	20	9000	-400	③										
103	150	20	9000	-500	①										
104					③										
105					③										
106	150	20	9000	-500	①										
107					③										
108					③										
109	150	20	10000	-700	.188	44	.497	.241	.492	.175	7			○	
						45	.424	.237	.436	.236	7			○	
						45	.352	.255	.337	.252	7				
110	150	20	10000	-3000	.227	44	.474	.193	.321	.245	5			○	
						45	.355	.274	.305	.151	5			○	
						45	.324	.223	.305	.205	5				
111	150	20	10000	-3000	.253	44	.451	.173	.309	.192	5			○	
						45	.373	.238	.339	.115	5			○	
	150	20	10000	-3000	.253	45	.371	.238	.354	.132	4			○	
						44	.374	.235	.312	.132	5			○	
						45	.213	.193	.222	.169	5			○	
						45	.173	.224	.245	.131	7			○	
113	150	20	100000	-400	.227	44	.273	.214	.352	.141	5			○	
						45	.225	.184	.322	.242	4			○	
						45	.245	.242	.422	.326	4			○	
114	150	20	10000	-400	③										

No. 10

Case	$r_1$	$r_2$	$r_3$	$r_4$	$\alpha$	$\beta$	$TU_{A^1}$	$TU_{A^2}$	$TU_{A^3}$	$\rho$	$\sigma$	$TU_{A^1}$	$TU_{A^2}$	$TU_{A^3}$	判定
115	150	20	10000	-5000	.188	44	.411	.317	.444	.150	5			○	
						45	.377	.253	.477	.119	4			○	
						45	.305	.185	.509	.552	4			○	
116	150	20	10000	-5000	③										
117					③										
118	150	20	10000	-5000	①										
119					③										
120					③										
121	150	20	1100	-3000	.188	44	.553	.473	.734	.178	7				
						45	.553	.544	.733	.220	7				
						45	.532	.529	.539	.173	7				
122	150	20	11000	-3000	.227	44	.511	.353	.548	.191	5				
						45	.542	.417	.497	.135	7				
						45	.475	.521	.448	.113	7				
123	150	20	11000	-3000	.253	44	.575	.273	.349	.297	5			○	
						45	.533	.333	.320	.157	5				
						45	.431	.446	.331	.102	5				
124	150	20	11000	-400	.188	44	.435	.349	.511	.321	5			○	
	150	20	11000	-400	.188	45	.372	.304	.457	.329	5				
						45	.321	.411	.408	.379	5				
125	150	20	11000	-400	.227	44	.403	.198	.320	.353	5			○	
						45	.333	.243	.302	.201	5			○	
						45	.273	.245	.295	.117	5			○	
125	150	20	11000	-400	.253	44	.397	.177	.297	.253	4			○	
						45	.323	.212	.315	.240	4			○	
						45	.254	.309	.337	.181	4			○	
127	150	20	11000	-5000	.188	44	.227	.204	.306	.355	5			○	



No 11

Case	r <sub>1</sub>	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	α	β	TU <sub>1</sub> <sup>2</sup>	TU <sub>2</sub> <sup>2</sup>	TU <sub>3</sub> <sup>2</sup>	φ	ψ	TU <sub>1</sub> <sup>2</sup>	TU <sub>2</sub> <sup>2</sup>	TU <sub>3</sub> <sup>2</sup>	Σ
						45	.179	.190	.205	.447	5	○	○		
128	150	20	11000	-5400	117	44	.160	.142	.116	.249	6	○	○		
						45	.229	.197	.135	.382	4	○	○		
						45	.166	.177	.182	.250	4	○	○		
						46	.121	.110	.130	.173	4	○	○		
129	150	20	11000	-5400	⊙										
130	150	20	11000	-5400	⊙										
131					⊙										
132					⊙										
133	150	20	12000	-5400	138	44	.196	.176	.190	.382	7				
						45	.149	.153	.110	.246	7				
						46	.148	.118	.185	.209	7				
134	150	20	12000	-5400	117	44	.176	.153	.172	.167	7				
						45	.173	.163	.173	.179	7				
						46	.121	.100	.101	.135	7				
135	150	20	12000	-5400	138	44	.184	.141	.111	.431	5				
						45	.122	.124	.108	.123	5				
						46	.113	.100	.165	.139	7				
136	150	20	12000	-5400	138	44	.157	.175	.161	.195	7				
						45	.133	.141	.138	.184	7				
						46	.132	.133	.112	.115	7				
137	150	20	12000	-5400	117	44	.146	.152	.139	.309	5				
						45	.192	.119	.191	.164	5				
						46	.121	.135	.145	.122	6				
138	150	20	12000	-5400	138	44	.139	.172	.176	.171	5		○		
						45	.142	.132	.110	.140	5				
						46	.113	.143	.132	.170	5			○	

No 12

Case	r <sub>1</sub>	r <sub>2</sub>	r <sub>3</sub>	r <sub>4</sub>	α	β	TU <sub>1</sub> <sup>2</sup>	TU <sub>2</sub> <sup>2</sup>	TU <sub>3</sub> <sup>2</sup>	φ	ψ	TU <sub>1</sub> <sup>2</sup>	TU <sub>2</sub> <sup>2</sup>	TU <sub>3</sub> <sup>2</sup>	Σ
139	150	20	1200	-5400	138	44	.132	.160	.127	.116	7				
						45	.103	.122	.126	.141	5				
						46	.135	.124	.127	.185	6	○			
140	150	20	12000	-5400	117	44	.151	.100	.100	.129	5		○		
						45	.122	.153	.100	.192	5	○	○		
						46	.119	.151	.129	.153	5	○		○	
141	150	20	12000	-5400	⊙										
142	150	20	12000	-5400	133	44	.190	.193	.110	.136	5	○	○		
						45	.154	.190	.128	.115	5	○	○	○	△
						46	.148	.154	.139	.105	5	○	○	○	△
143	150	20	12000	-5400	⊙										
144	150	20	12000	-5400	⊙										

Fig VI-13

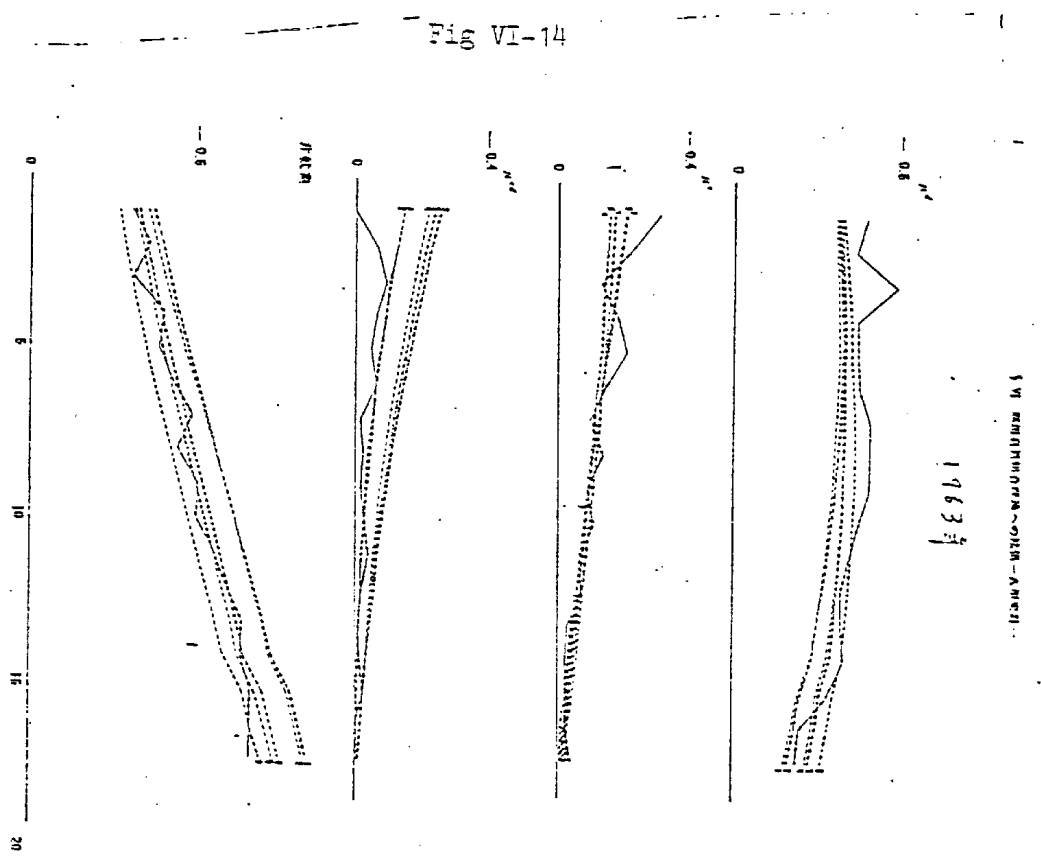
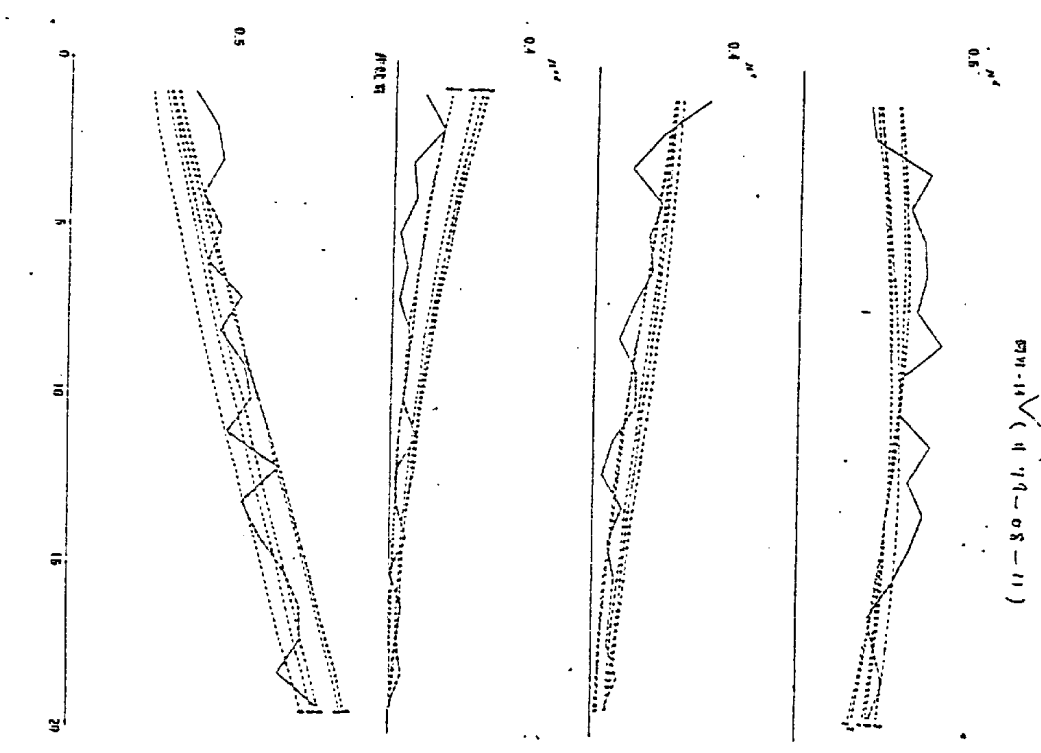
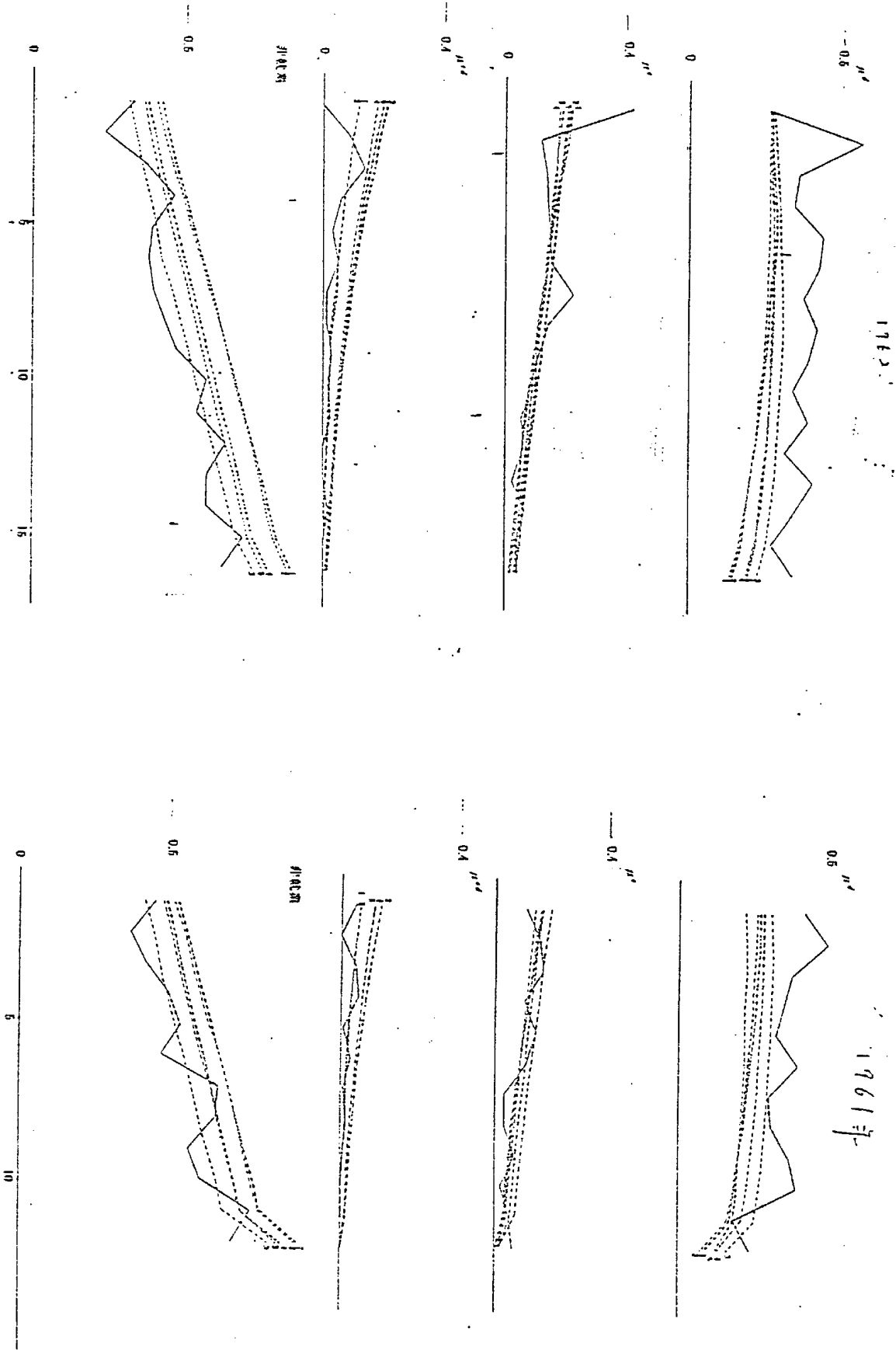


Fig VI-13



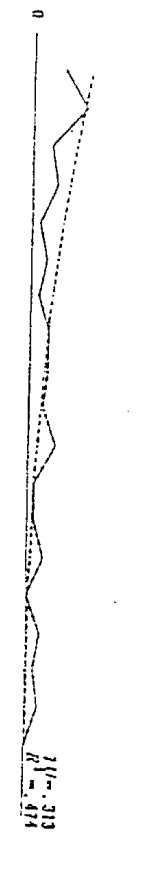
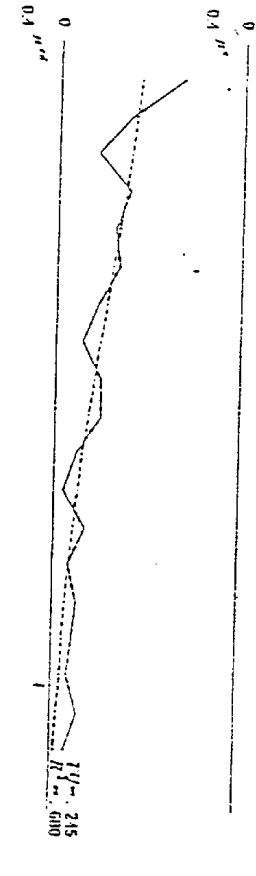
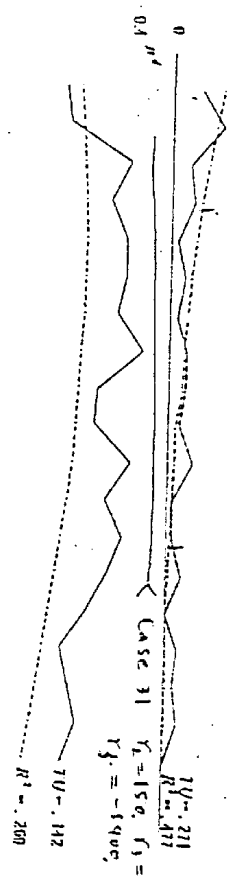
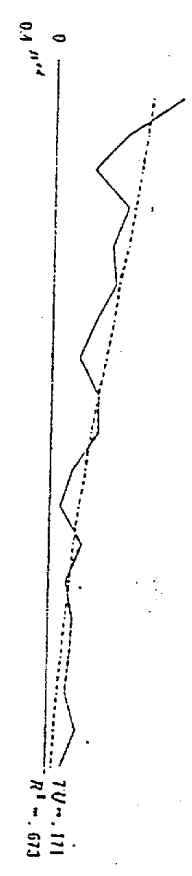
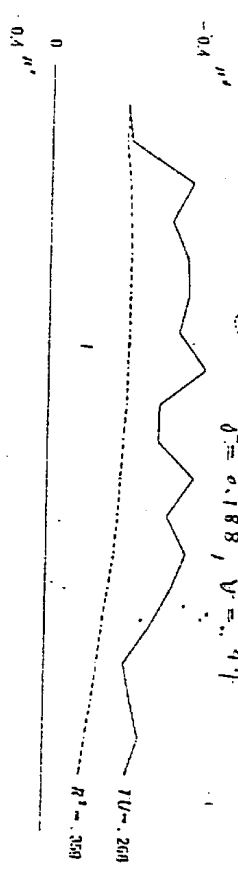
VI-14

Fig. VI-14 continued



VI-13 (1179-01-23)

Case 31  $\gamma_2 = 150, \gamma_3 = 0, \gamma_4 = 11000, \gamma_5 = -5900,$   
 $\delta = 0.188, V = 44$



Case 46  $\gamma_2 = 150, \gamma_3 = 0, \gamma_4 = 12000, \gamma_5 = -6400,$   
 $\delta = 0.188, V = 44$

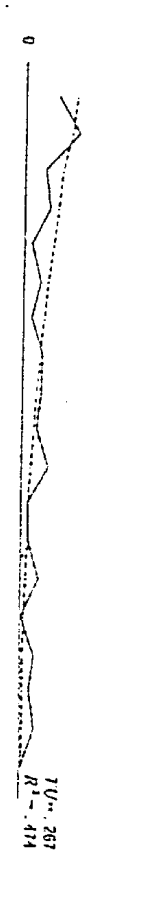
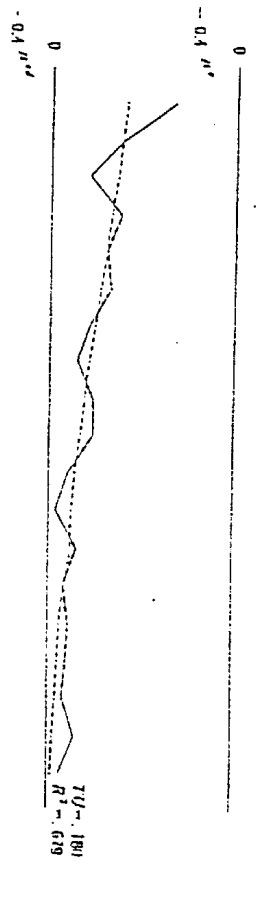
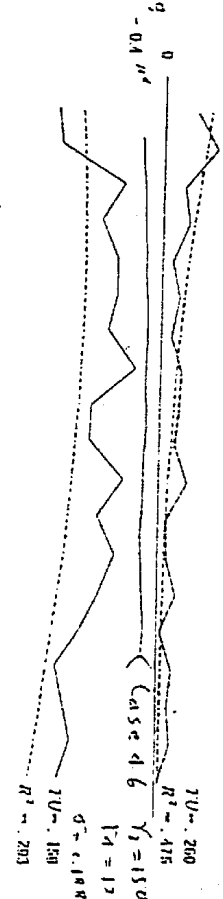
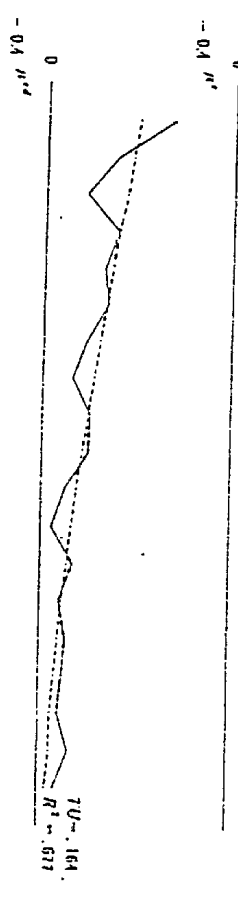
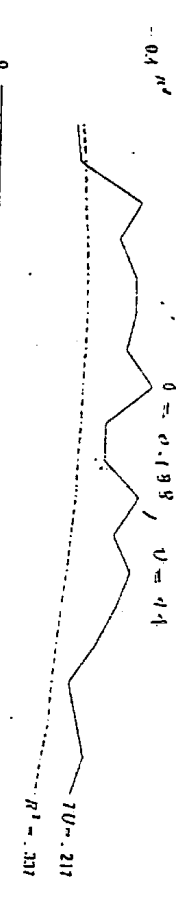
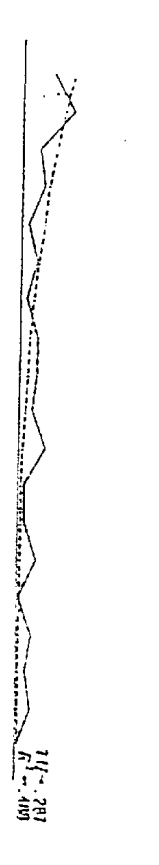
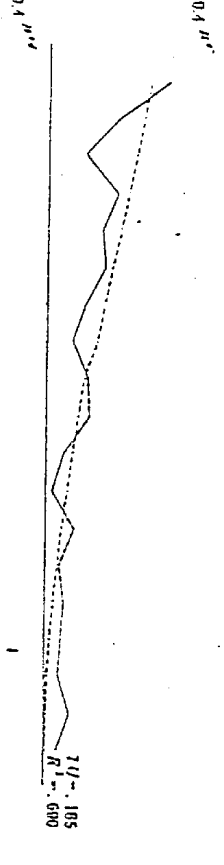
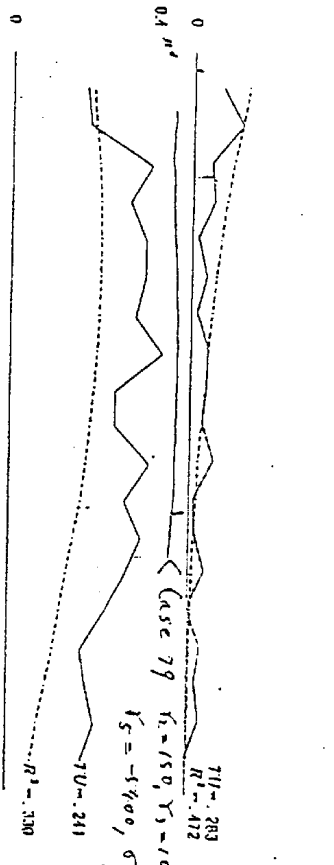
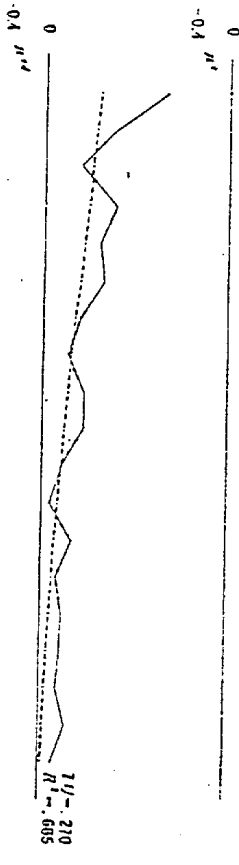
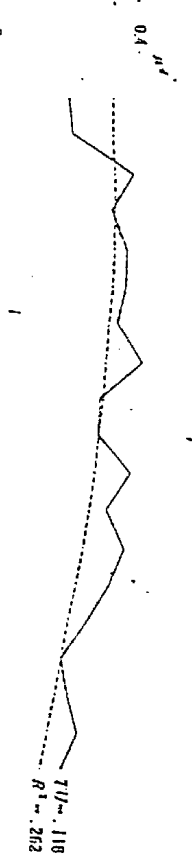
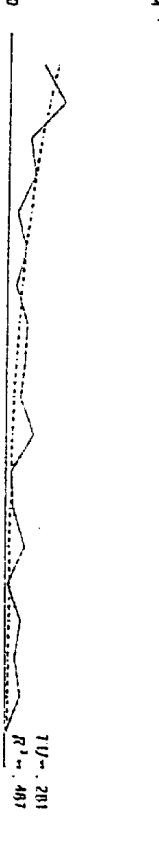
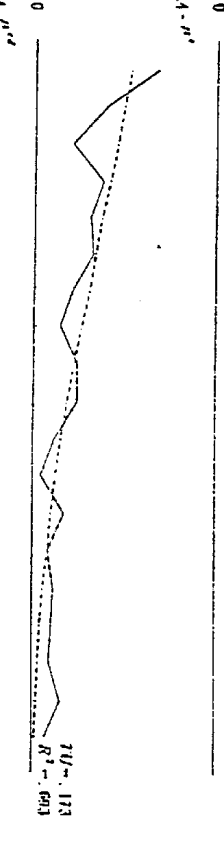
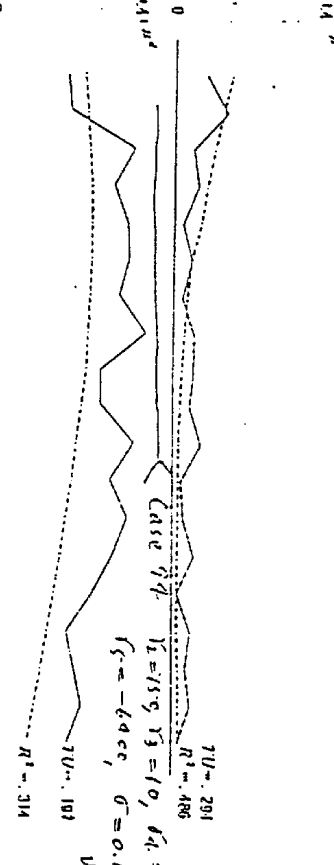
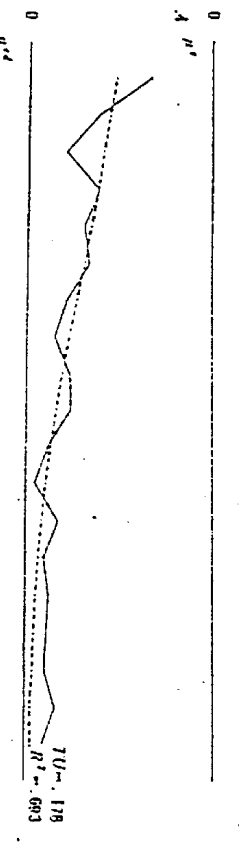


Fig VI-13(a)

Case 46  $\gamma_2 = 150, \gamma_3 = 10, \gamma_4 = 1000, \gamma_5 = 6000,$   
 $\sigma = 0.188, V = 46$

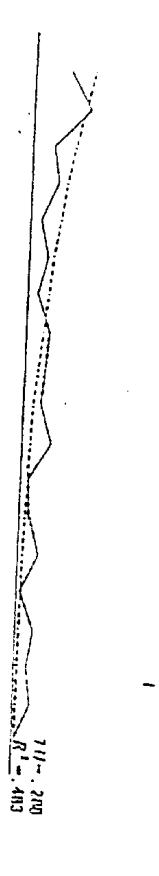
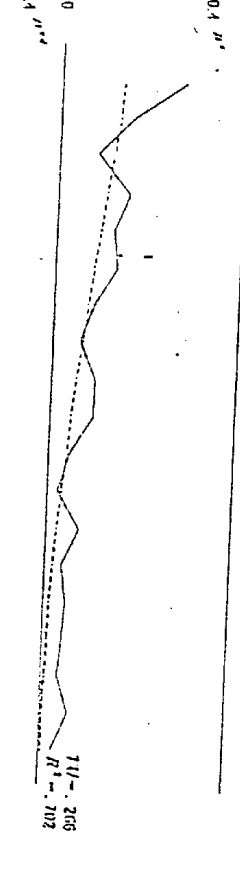
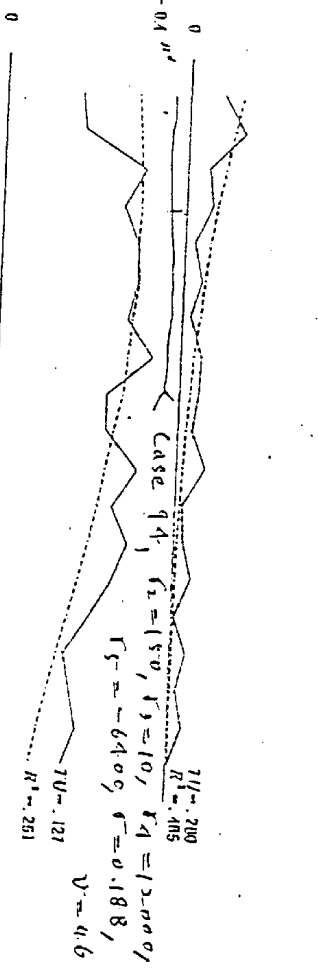
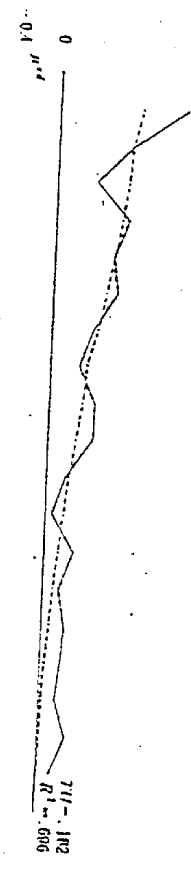
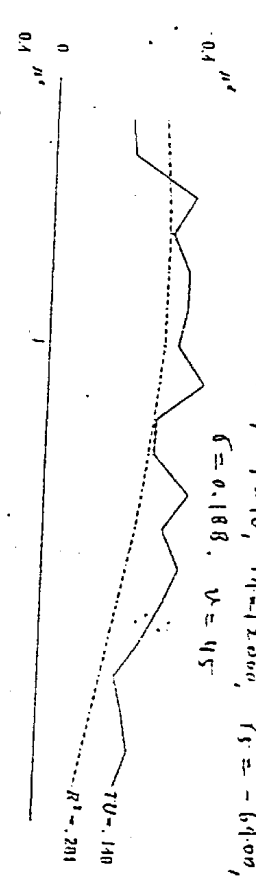


Case 79  $\gamma_2 = 150, \gamma_3 = 10, \gamma_4 = 1000, \gamma_5 = 5000, \sigma = 0.188,$   
 $V = 45$

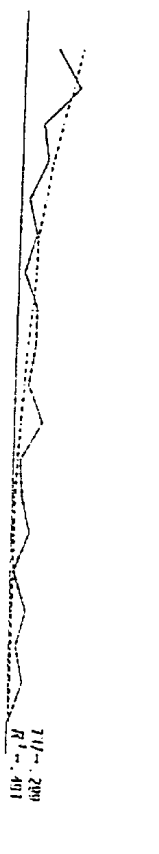
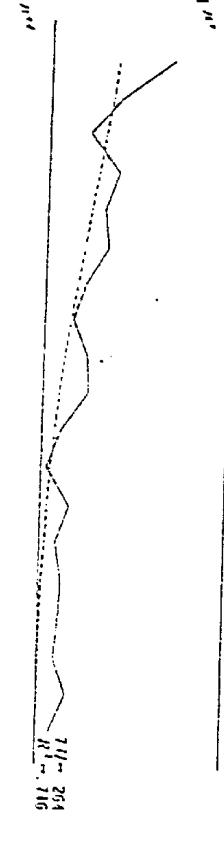
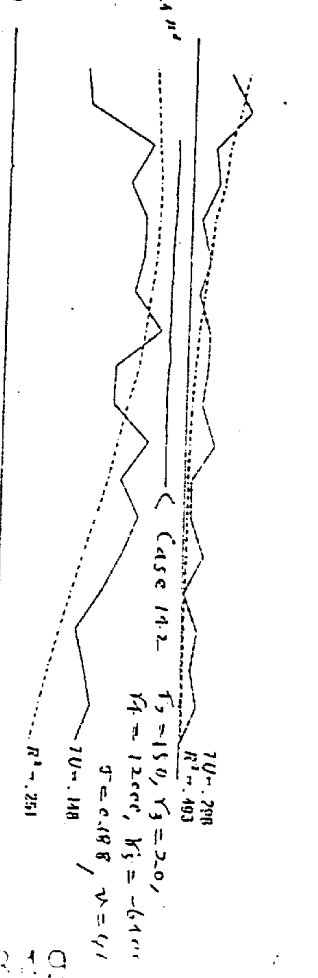
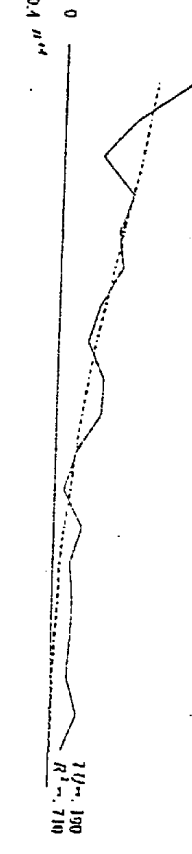


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Case 14.  $f_2 = 150$ ,  $f_3 = 10$ ,  $f_4 = 12000$ ,  $f_5 = -6400$ ,  
 $\sigma = 0.188$ ,  $\nu = 4.5$



Case 14.1.  $f_2 = 150$ ,  $f_3 = 20$ ,  $f_4 = 12000$ ,  $f_5 = -6400$ ,  
 $\sigma = 0.188$ ,  $\nu = 4.5$

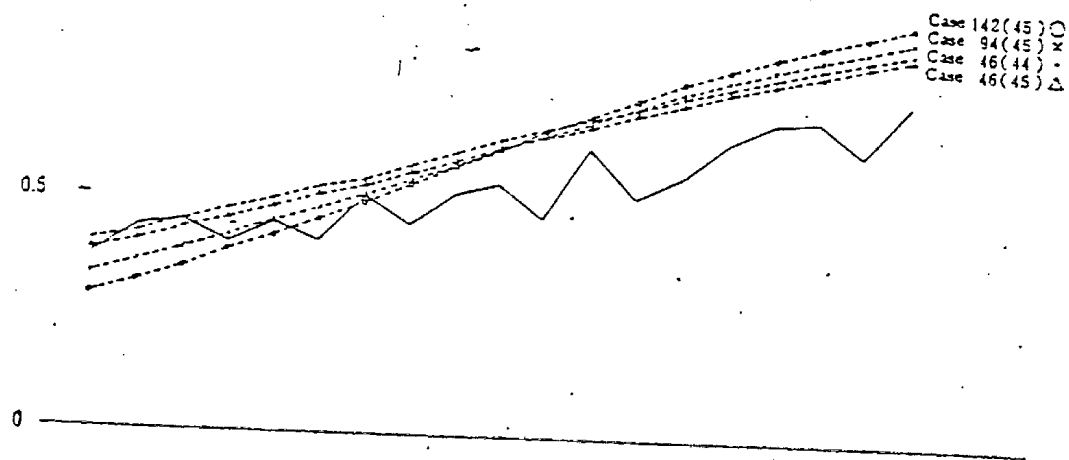


(0)  
 (1)  
 (2)  
 (3)  
 (4)  
 (5)

0.4  
 0.2  
 0.1

Fig VI-13(b)

$\mu^d, \mu^e, \mu^{ed}$  a fit a fit 44-スにあける  
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# Tab. VI-4

表 VI-4 (4-2)

(L)  $r_1=150, r_2=0, r_3=11000, r_4=-5400, \sigma=0.188$

期	$r_{1NOM}$	$r_{2NOM}$	$r_{3NOM}$	$r_{4NOM}$	$TU_{1NOM}$	$TU_{2NOM}$	$TU_{3NOM}$	$TU_{4NOM}$	$AP_{1NOM}$	$AP_{2NOM}$	$AP_{3NOM}$	$AP_{4NOM}$	$TU_{2NOM}$	$TU_{3NOM}$	$AP_{2NOM}$	$AP_{3NOM}$	OBP
39144	0.430	1.259	0.473	0.477	0.109	0.258	0.171	0.271	16.6	49.7	52.9	229.3	0.711	0.520	242.9	359.4	280.0
145	0.423	0.312	0.475	0.475	0.099	0.199	0.171	0.289	14.9	48.5	53.9	186.3	0.659	0.753	304.2	319.1	280.3
146	0.435	1.259	0.480	0.474	0.090	0.142	0.245	0.313	13.7	31.6	117.4	161.0	0.700	0.791	310.0	323.7	348.5
38126	0.950	0.148	0.340	0.254	0.208	0.162	0.233	0.402	35.7	705.2	37.2	252.4	1.288	1.576	994.3	1030.5	1410.9
137	0.950	0.011	0.329	0.268	0.196	0.174	0.189	0.263	24.1	416.5	26.2	199.3	1.225	1.421	561.0	565.1	554.9
138	0.961	0.224	0.329	0.272	0.184	0.166	0.159	0.235	32.3	223.9	22.5	157.0	1.091	1.273	472.5	505.3	322.3
139	0.951	0.530	0.339	0.278	0.171	0.150	0.147	0.222	30.4	203.1	29.5	125.6	0.970	1.141	358.2	398.5	178.7
140	0.951	0.551	0.339	0.231	0.153	0.147	0.124	0.225	33.4	147.5	27.8	102.5	0.966	1.024	277.9	306.2	111.1
141	0.961	0.527	0.340	0.225	0.144	0.126	0.118	0.241	25.1	106.5	20.1	37.1	0.794	0.928	222.6	243.5	72.5
142	0.951	0.633	0.342	0.229	0.130	0.126	0.156	0.268	23.7	74.5	15.9	75.7	0.787	0.917	195.0	219.7	51.6
143	0.951	0.642	0.345	0.234	0.116	0.113	0.205	0.295	21.0	48.1	101.5	49.3	0.879	0.995	219.0	240.0	56.5
144	0.950	0.537	0.353	0.228	0.102	0.108	0.241	0.428	18.1	27.7	722.1	45.7	1.273	1.250	316.3	324.5	1392.9
37124	0.328	1.226	0.354	0.327	0.243	0.236	0.215	0.437	28.9	724.5	34.8	172.2	1.428	1.745	961.4	1021.3	1256.9
135	0.327	0.044	0.353	0.240	0.221	0.201	0.145	0.284	36.0	46.0	24.5	129.2	1.237	1.528	531.5	572.0	434.2
136	0.323	0.143	0.353	0.243	0.219	0.216	0.238	0.401	35.9	313.9	25.3	114.0	1.224	1.443	463.1	500.0	214.9
137	0.328	0.156	0.353	0.246	0.227	0.221	0.228	0.257	25.2	224.8	27.1	94.3	1.106	1.213	325.3	322.0	120.9
138	0.329	0.152	0.353	0.243	0.194	0.149	0.222	0.246	21.2	163.7	42.3	81.4	1.014	1.239	227.2	220.5	74.4
139	0.329	0.146	0.353	0.231	0.181	0.139	0.224	0.233	21.2	118.5	35.5	71.5	0.951	1.142	245.7	273.0	52.5
140	0.340	0.141	0.354	0.234	0.158	0.120	0.221	0.246	22.0	54.0	91.3	67.5	0.957	1.128	240.3	271.3	52.3
141	0.340	0.134	0.353	0.237	0.154	0.117	0.205	0.253	23.6	57.3	218.3	54.8	1.054	1.227	244.4	257.0	144.7
35120	0.726	1.224	0.349	0.348	0.215	0.339	0.224	0.620	25.4	427.3	78.6	256.6	1.744	1.959	4972.0	5008.4	12749.8
131	0.726	1.020	0.350	0.342	0.206	0.307	0.225	0.556	24.2	343.7	31.4	205.3	1.539	1.725	4121.4	4164.5	1091.4
132	0.723	0.159	0.352	0.244	0.197	0.223	0.214	0.491	22.9	310.5	36.2	153.4	1.428	1.622	333.2	328.1	428.5
133	0.724	0.241	0.353	0.246	0.187	0.133	0.220	0.450	21.5	248.9	34.5	125.0	1.253	1.449	368.3	339.8	258.4
134	0.723	0.413	0.353	0.249	0.178	0.146	0.184	0.278	29.9	250.0	108.7	99.1	1.106	1.222	457.3	427.7	199.4
135	0.721	0.445	0.357	0.251	0.165	0.150	0.175	0.222	22.2	182.5	131.1	31.1	0.970	1.125	334.5	422.0	235.3
136	0.720	0.464	0.359	0.253	0.154	0.175	0.194	0.212	28.4	131.0	173.3	39.3	0.882	1.025	273.5	402.0	237.4
137	0.723	0.477	0.361	0.256	0.142	0.221	0.204	0.229	24.2	94.7	271.0	50.6	0.825	1.027	425.3	450.7	358.2
138	0.725	0.489	0.363	0.258	0.129	0.225	0.248	0.225	22.1	52.5	745.0	55.4	1.078	1.228	362.9	385.0	418.9

r<sub>1</sub>は実効利率、r<sub>2</sub>は無リスク実効利率、r<sub>3</sub>は平均実効利率、r<sub>4</sub>は分散率、σは標準差、  
Lは期間、T<sub>1</sub>は期間の平方根、T<sub>2</sub>は期間の平方根、T<sub>3</sub>は期間の平方根、T<sub>4</sub>は期間の平方根、  
AP<sub>1</sub>は期間の平方根、AP<sub>2</sub>は期間の平方根、AP<sub>3</sub>は期間の平方根、AP<sub>4</sub>は期間の平方根、

2.  $r_1=150, r_2=0, r_3=12000, r_4=-5400, \sigma=0.188$

期	$r_{1NOM}$	$r_{2NOM}$	$r_{3NOM}$	$r_{4NOM}$	$TU_{1NOM}$	$TU_{2NOM}$	$TU_{3NOM}$	$TU_{4NOM}$	$AP_{1NOM}$	$AP_{2NOM}$	$AP_{3NOM}$	$AP_{4NOM}$	$TU_{2NOM}$	$TU_{3NOM}$	$AP_{2NOM}$	$AP_{3NOM}$	OBP
39144	0.423	0.327	0.476	0.475	0.097	0.217	0.154	0.260	15.0	51.2	48.1	189.9	0.640	0.737	269.2	304.2	254.2
145	0.428	0.293	0.479	0.474	0.087	0.159	0.160	0.257	12.3	35.5	35.4	163.9	0.606	0.593	254.3	278.1	195.1
146	0.428	0.252	0.485	0.472	0.079	0.118	0.270	0.253	12.0	22.9	115.4	142.3	0.672	0.750	293.4	292.3	184.6
38124	0.959	1.223	0.329	0.270	0.217	0.318	0.212	0.507	26.7	20464.9	28.4	222.4	1.537	1.754	2825.7	3857.4	4012749.0
135	0.950	0.229	0.329	0.273	0.206	0.229	0.155	0.254	25.4	320.1	37.2	256.6	1.397	1.533	922.9	959.2	1126.1
136	0.950	0.322	0.329	0.276	0.195	0.169	0.190	0.408	23.9	239.4	25.5	213.3	1.257	1.452	653.0	672.1	502.7
137	0.950	0.128	0.329	0.279	0.184	0.174	0.257	0.253	22.3	273.4	32.3	171.5	1.120	1.204	473.3	510.5	284.4
138	0.950	0.432	0.329	0.282	0.172	0.201	0.155	0.226	20.5	200.2	20.8	137.5	0.992	1.164	258.4	298.9	174.1
139	0.950	0.521	0.329	0.285	0.159	0.125	0.138	0.287	18.7	144.8	27.4	111.0	0.877	1.036	237.3	216.0	110.6
140	0.950	0.610	0.340	0.289	0.146	0.251	0.112	0.213	25.7	110.4	25.5	91.2	0.782	0.928	227.1	253.7	72.2
141	0.950	0.629	0.341	0.293	0.133	0.279	0.127	0.220	24.5	30.3	29.1	78.1	0.727	0.850	187.4	211.9	49.2
142	0.950	0.628	0.343	0.296	0.119	0.229	0.190	0.223	22.1	55.3	46.2	62.3	0.737	0.857	170.5	192.9	28.3
143	0.959	0.340	0.347	0.300	0.106	0.141	0.226	0.253	19.6	24.2	104.2	32.9	0.840	0.945	201.5	221.4	54.3
144	0.954	0.322	0.354	0.303	0.092	0.089	0.259	0.282	18.3	23.7	728.2	60.1	1.240	1.232	359.0	425.3	1258.4
37121	0.327	0.317	0.354	0.343	0.240	0.265	0.216	0.557	29.5	626.3	31.3	191.9	1.537	1.777	912.1	961.5	1027.4
134	0.327	0.205	0.354	0.245	0.229	0.167	0.212	0.525	24.1	431.2	22.4	158.4	1.404	1.623	621.1	659.2	402.5
135	0.328	0.104	0.354	0.247	0.218	0.160	0.228	0.456	26.7	202.9	23.2	128.9	1.274	1.492	463.0	501.7	229.2
136	0.328	0.152	0.353	0.249	0.207	0.133	0.207	0.413	25.1	222.0	22.1	107.2	1.153	1.360	382.3	397.5	121.0
137	0.329	0.154	0.353	0.251	0.195	0.159	0.212	0.377	23.4	165.4	24.3	91.2	1.047	1.242	331.4	324.3	74.7
138	0.329	0.149	0.354	0.253	0.182	0.159	0.229	0.352	21.6	122.3	40.5	79.5	0.965	1.149	241.4	235.0	49.5
139	0.329	0.144	0.354	0.255	0.170	0.215	0.270	0.228	20.6	50.4	55.4	70.1	0.923	1.093	215.9	245.5	28.2
140	0.329	0.129	0.353	0.257	0.157	0.247	0.253	0.217	17.4	55.0	92.3	64.6	0.937	1.094	221.9	249.3	43.7
141	0.329	0.122	0.357	0.259	0.143	0.182	0.250	0.247	15.1	42.9	221.2	62.4	1.049	1.202	227.4	252.5	131.3
35120	0.720	0.092	0.342	0.352	0.202	0.285	0.222	0.626	22.5	720.9	46.1	234.2	1.623	1.825	1031.2	1064.8	350.5
131	0.729	0.054	0.343	0.353	0.193	0.205	0.221	0.547	22.2	465.1	67.7	184.6	1.473	1.667	717.4	749.7	365.1
132	0.728	0.253	0.345	0.354	0.181	0.169	0.208	0.467	21.0	226.2	70.1	146.0	1.320	1.504	542.3	573.3	234.0
133	0.727	0.269	0.347	0.356	0.174	0.146	0.192	0.430	29.5	228.5	78.0	117.8	1.169	1.342	432.3	461.3	126.4
134	0.725	0.418	0.348	0.357	0.163	0.168	0.178	0.379	27.9	177.4	87.5	95.5	1.025	1.189	350.4	383.3	111.5
135	0.724	0.444	0.350	0.359	0.153	0.202	0.174	0.228	26.2	132.1	106.5	80.1	0.904	1.057	318.7	344.9	118.4
136	0.722	0.461	0.353	0.361	0.141	0.217	0.213	0.212	24.3	96.9	141.9	68.4	0.832	0.974	287.2	311.5	172.3
137	0.720	0.474	0.355	0.363	0.130	0.243	0.213	0.204	22.3	68.4	223.5	60.5	0.850	0.979	252.4	274.7	281.9
138	0.718	0.486	0.358	0.365	0.118	0.189	0.257	0.212	20.1	43.5	519.2	56.3	1.046	1.166	219.2	239.3	229.5



1.  $r_1=150$ ,  $r_2=10$ ,  $r_3=11000$ ,  $r_4=-5400$ ,  $\theta=0.188$

REI #	$r_{1MON}$	$r_{1M}^2$	$r_{1M}^3$	$r_{1M}^{3/4}$	$TU_{MON}$	$TU_M^2$	$TU_M^3$	$TU_M^{3/4}$	$AP_{MON}$	$AP_M^2$	$AP_M^3$	$AP_M^{3/4}$	$TU_{M^2}$	$TU_{M^3}$	$AP_{M^2}$	$AP_{M^3}$	OBF
144	0.826	0.220	0.690	0.428	0.129	0.241	0.185	0.237	18.0	69.0	120.1	977.2	0.713	0.822	1166.4	1184.4	10082.3
145	0.830	0.229	0.692	0.486	0.111	0.181	0.178	0.294	16.9	49.5	163.4	783.1	0.653	0.754	998.0	1012.9	7087.9
146	0.834	0.266	0.699	0.425	0.105	0.143	0.242	0.312	17.0	35.1	273.0	630.8	0.696	0.801	938.9	953.9	4919.7
135	0.958	0.077	0.849	0.206	0.207	0.735	0.215	0.474	35.6	580.3	44.2	1077.6	1.427	1.634	2822.1	2860.3	27454.1
136	0.959	0.404	0.845	0.213	0.195	0.642	0.203	0.429	33.8	376.2	44.3	782.1	1.273	1.468	1820.6	1837.7	12011.0
137	0.961	0.556	0.848	0.227	0.170	0.465	0.159	0.392	31.9	285.4	45.0	591.4	1.127	1.310	907.8	929.7	4017.3
138	0.962	0.631	0.848	0.223	0.157	0.382	0.132	0.260	29.7	192.4	47.8	459.9	0.992	1.163	701.0	730.8	2394.4
139	0.963	0.641	0.849	0.240	0.144	0.303	0.117	0.265	27.4	142.2	53.6	363.5	0.874	1.031	559.2	585.5	1543.3
140	0.963	0.647	0.850	0.247	0.130	0.228	0.154	0.291	23.9	73.4	104.5	221.3	0.753	0.893	399.3	421.3	629.9
141	0.963	0.648	0.853	0.254	0.117	0.162	0.292	0.404	18.9	48.5	215.6	180.9	0.658	0.975	445.1	464.0	640.4
142	0.962	0.641	0.857	0.241	0.104	0.127	0.736	0.423	15.5	35.9	1408.5	149.9	1.296	1.401	1594.3	1609.8	11013.2
143	0.823	0.068	0.555	0.297	0.240	0.762	0.229	0.545	29.7	651.0	49.7	467.5	1.524	1.775	1162.3	1208.0	2452.7
125	0.825	0.152	0.554	0.307	0.229	0.672	0.200	0.490	28.1	420.4	52.4	354.5	1.384	1.613	827.4	853.5	1292.1
126	0.827	0.151	0.554	0.306	0.217	0.584	0.216	0.440	26.4	295.9	57.4	272.0	1.241	1.457	625.3	661.7	735.2
127	0.828	0.157	0.553	0.313	0.205	0.499	0.213	0.400	24.5	215.4	66.0	212.0	1.112	1.316	493.4	527.9	438.9
128	0.829	0.153	0.553	0.319	0.192	0.417	0.220	0.371	22.3	158.6	80.5	163.8	1.008	1.199	407.9	440.3	321.4
129	0.840	0.149	0.553	0.324	0.179	0.329	0.248	0.357	20.0	118.1	108.7	125.0	0.943	1.122	360.6	390.6	213.4
140	0.841	0.144	0.553	0.329	0.165	0.266	0.321	0.357	17.5	84.7	173.9	113.0	0.943	1.108	371.5	399.0	248.3
141	0.842	0.138	0.554	0.334	0.152	0.202	0.495	0.369	14.7	60.5	396.7	98.2	1.065	1.217	555.5	580.1	792.1
130	0.744	0.034	0.568	0.299	0.215	0.875	0.245	0.696	35.6	1662.6	221.0	548.7	1.819	2.034	2432.3	2467.9	5795.0
131	0.744	0.161	0.569	0.293	0.208	0.785	0.241	0.634	34.4	795.5	241.4	406.9	1.660	1.866	1444.8	1479.2	1942.3
132	0.744	0.255	0.570	0.298	0.196	0.694	0.230	0.569	33.0	572.1	270.2	303.3	1.493	1.689	1095.6	1122.2	1471.4
133	0.744	0.424	0.571	0.302	0.186	0.603	0.216	0.504	31.5	371.2	311.3	228.7	1.323	1.506	909.3	940.7	1484.1
134	0.743	0.453	0.573	0.306	0.175	0.514	0.200	0.443	29.8	272.5	373.8	169.5	1.156	1.331	816.8	846.5	1870.1
135	0.743	0.468	0.574	0.310	0.163	0.427	0.190	0.390	27.9	204.6	475.7	129.5	1.007	1.170	739.7	827.5	2370.0
136	0.741	0.478	0.574	0.315	0.151	0.343	0.206	0.352	25.8	153.2	661.8	100.2	0.901	1.052	615.1	640.9	1644.2
137	0.740	0.496	0.574	0.319	0.139	0.263	0.232	0.322	23.5	113.1	1166.5	87.9	0.887	1.026	536.5	591.0	1484.2
138	0.738	0.494	0.570	0.323	0.127	0.188	0.452	0.322	21.0	79.9	1545.7	74.6	1.075	1.201	3700.2	3721.2	15243.2

4.  $r_1=150$ ,  $r_2=10$ ,  $r_3=12000$ ,  $r_4=-6400$ ,  $\theta=0.188$

REI #	$r_{1MON}$	$r_{1M}^2$	$r_{1M}^3$	$r_{1M}^{3/4}$	$TU_{MON}$	$TU_M^2$	$TU_M^3$	$TU_M^{3/4}$	$AP_{MON}$	$AP_M^2$	$AP_M^3$	$AP_M^{3/4}$	$TU_{M^2}$	$TU_{M^3}$	$AP_{M^2}$	$AP_{M^3}$	OBF
144	0.830	0.314	0.693	0.437	0.107	0.197	0.173	0.284	16.2	50.9	100.6	694.1	0.654	0.761	845.6	861.2	4861.6
145	0.834	0.284	0.696	0.485	0.099	0.149	0.182	0.280	15.1	35.7	138.7	571.4	0.612	0.711	745.8	760.9	3440.0
146	0.836	0.251	0.702	0.423	0.093	0.127	0.256	0.288	15.0	28.4	225.8	472.2	0.681	0.773	734.4	749.4	2506.1
135	0.958	0.129	0.849	0.212	0.217	0.807	0.222	0.531	37.0	1112.2	39.8	1159.9	1.609	1.827	2318.0	2345.0	15118.0
136	0.959	0.007	0.849	0.217	0.206	0.722	0.212	0.528	35.5	839.0	39.4	903.1	1.463	1.669	1481.6	1517.1	7852.5
137	0.960	0.273	0.849	0.222	0.186	0.628	0.200	0.477	33.9	258.6	38.7	705.5	1.315	1.510	1102.8	1136.7	4584.8
138	0.961	0.492	0.848	0.228	0.163	0.555	0.184	0.422	32.1	257.4	37.8	553.0	1.170	1.353	848.1	880.2	3219.9
139	0.962	0.579	0.848	0.234	0.171	0.475	0.183	0.394	30.2	190.8	36.4	434.4	1.031	1.202	661.3	691.5	1762.4
140	0.962	0.615	0.849	0.239	0.158	0.398	0.140	0.356	28.1	142.6	38.2	342.8	0.903	1.052	523.6	551.5	1116.9
141	0.962	0.640	0.850	0.250	0.122	0.254	0.119	0.348	23.4	77.5	55.5	217.0	0.721	0.853	350.0	373.4	478.5
142	0.962	0.645	0.852	0.256	0.119	0.182	0.177	0.257	20.7	54.1	90.0	176.4	0.722	0.841	320.5	341.2	349.6
143	0.961	0.645	0.854	0.262	0.106	0.132	0.224	0.375	17.8	35.0	191.2	146.9	0.630	0.736	373.1	390.9	382.1
144	0.960	0.628	0.859	0.258	0.092	0.113	0.755	0.399	14.6	27.0	1233.7	124.4	1.257	1.360	1290.1	1404.7	6657.6
123	0.825	0.028	0.587	0.305	0.238	0.751	0.224	0.604	28.5	505.8	41.6	456.5	1.578	1.817	1103.9	1143.4	1935.2
124	0.826	0.128	0.586	0.309	0.229	0.662	0.219	0.551	28.1	401.1	43.0	353.9	1.438	1.658	798.1	836.1	1040.7
125	0.827	0.158	0.586	0.314	0.217	0.537	0.214	0.499	26.9	287.3	45.1	277.7	1.300	1.517	610.1	646.6	817.9
126	0.828	0.158	0.585	0.318	0.205	0.509	0.211	0.451	24.8	212.6	48.9	219.6	1.170	1.375	481.2	515.9	377.0
127	0.829	0.154	0.585	0.322	0.193	0.433	0.212	0.410	22.9	159.3	56.4	176.3	1.055	1.247	392.0	424.9	229.0
128	0.840	0.150	0.585	0.327	0.180	0.360	0.225	0.378	20.8	119.2	69.9	144.4	0.963	1.143	333.5	364.2	162.1
129	0.840	0.146	0.585	0.331	0.167	0.292	0.262	0.357	20.5	88.2	95.9	119.2	0.911	1.078	303.2	331.8	130.1
140	0.841	0.142	0.586	0.335	0.154	0.229	0.343	0.349	26.1	64.6	154.9	99.7	0.920	1.074	319.2	345.2	159.5
141	0.841	0.136	0.587	0.339	0.141	0.175	0.520	0.353	23.4	46.6	358.1	88.6	1.049	1.189	493.3	516.6	518.3
130	0.741	0.077	0.583	0.306	0.203	0.773	0.242	0.680	33.9	698.4	146.6	436.5	1.695	1.898	1281.4	1315.3	1264.1
131	0.741	0.298	0.584	0.309	0.194	0.649	0.232	0.622	32.6	465.7	159.5	333.4	1.542	1.736	958.6	991.1	783.4
132	0.740	0.395	0.585	0.312	0.184	0.605	0.219	0.561	31.1	334.6	177.9	255.4	1.385	1.569	767.9	799.1	620.1
133	0.739	0.428	0.587	0.316	0.173	0.523	0.204	0.500	29.6	248.7	203.9	195.9	1.228	1.401	648.5	678.0	611.7
134	0.738	0.450	0.588	0.319	0.162	0.443	0.190	0.443	27.8	187.6	246.7	159.2	1.078	1.238	503.5	521.3	766.2
135	0.736	0.464	0.589	0.322	0.151	0.366	0.185	0.392	25.9	141.8	313.2	126.4	0.943	1.094	581.3	607.2	1161.4
136	0.734	0.473	0.570	0.325	0.140	0.292	0.212	0.363	23.9	106.0	437.9	100.7	0.857	0.996	644.7	668.5	1218.4
137	0.732	0.482	0.570	0.329	0.128	0.222	0.309	0.329	21.5	77.1	733.6	84.1	0.860	0.968	804.8	816.4	6105.2
138	0.730	0.492	0.568	0.333	0.116	0.152	0.574	0.323	19.2	52.2	2170.3	72.6	1.064	1.170	2293.1	2314.2	51074.0

5.  $r_1=150, r_2=20, r_3=12000, r_4=-5400, \sigma=0.188$

区	$r_1$	$r_2$	$r_3$	$r_4$	$\sigma$	$TU_{\text{算定}}$	$TU_{\text{計}}$	$TU_{\text{差}}$	$TU_{\text{差}}$	$AP_{\text{算定}}$	$AP_{\text{計}}$	$AP_{\text{差}}$	$AP_{\text{差}}$	$TU_{\text{算定}}$	$TU_{\text{計}}$	$AP_{\text{算定}}$	$AP_{\text{計}}$	OBP
15	0.321	0.302	0.707	0.494	0.119	0.190	0.183	0.310	18.2	56.3	242.4	2077.3	1.063	0.807	1975.9	3094.1	1197702.3	
16	0.235	0.281	0.716	0.491	0.106	0.148	0.284	0.299	19.2	36.0	607.6	2191.0	0.711	0.819	2024.6	2954.0	1270882.9	
17	0.954	0.010	0.853	0.156	2.218	0.758	0.229	0.629	37.0	366.7	57.3	1745.1	1.574	1.892	2589.1	2725.2	17843.3	
18	0.956	0.300	0.854	0.163	0.207	0.706	0.230	0.587	35.4	516.1	59.7	1667.0	1.523	1.733	5242.8	5278.2	132856.0	
19	0.960	0.513	0.854	0.171	0.195	0.618	0.218	0.535	33.7	357.2	62.8	2371.7	1.371	1.566	3791.7	2825.4	1172931.6	
20	0.962	0.622	0.853	0.185	0.172	0.452	0.182	0.445	29.6	195.8	74.0	1251.6	1.079	1.250	2224.9	2556.6	92296.1	
21	0.963	0.637	0.853	0.193	0.159	0.376	0.158	0.411	27.3	147.8	83.9	1287.1	0.945	1.104	1618.8	1646.1	22271.0	
22	0.963	0.644	0.853	0.200	0.147	0.302	0.133	0.289	24.7	111.1	104.3	1050.3	0.826	0.973	1235.7	1250.4	15991.3	
23	0.964	0.646	0.854	0.208	0.134	0.227	0.125	0.278	21.9	82.1	144.4	300.4	0.742	0.875	1025.3	1042.7	9345.7	
24	0.963	0.651	0.854	0.215	0.122	0.179	0.112	0.281	18.8	58.4	200.0	513.9	0.722	0.834	902.3	921.1	5338.1	
25	0.963	0.650	0.855	0.222	0.111	0.128	0.114	0.283	15.5	43.5	463.1	475.5	0.845	0.956	982.0	997.8	5025.9	
26	0.962	0.641	0.855	0.231	0.100	0.143	0.101	0.413	14.1	37.9	3154.3	373.0	1.306	1.406	2665.2	2579.3	23802.5	
27	0.826	0.021	0.557	0.253	0.249	0.823	0.244	0.696	40.8	1025.0	64.7	2182.2	1.782	2.011	2271.9	2312.7	61981.1	
28	0.821	0.133	0.556	0.250	0.229	0.736	0.246	0.844	39.4	523.5	68.5	1555.9	1.619	1.858	2217.3	2237.3	20623.4	
29	0.834	0.162	0.553	0.267	0.208	0.551	0.224	0.590	37.2	460.7	73.9	1152.0	1.475	1.702	1827.5	1665.4	16210.1	
30	0.835	0.183	0.554	0.274	0.216	0.583	0.228	0.537	36.0	391.2	82.2	850.9	1.322	1.545	1255.0	1261.0	3671.6	
31	0.836	0.199	0.554	0.281	0.204	0.483	0.222	0.486	34.3	218.2	94.2	632.5	1.196	1.401	944.9	979.0	4745.7	
32	0.836	0.185	0.553	0.287	0.192	0.412	0.220	0.442	32.0	164.7	113.0	480.8	1.074	1.266	753.5	780.5	2697.9	
33	0.841	0.182	0.552	0.294	0.180	0.341	0.229	0.406	29.6	124.3	144.3	366.1	0.975	1.155	635.0	664.6	1626.2	
34	0.842	0.149	0.552	0.301	0.187	0.278	0.256	0.380	27.1	93.8	202.9	282.9	0.916	1.083	581.6	608.6	1144.4	
35	0.842	0.145	0.552	0.307	0.154	0.219	0.236	0.387	24.2	70.2	231.8	222.5	0.922	1.075	625.5	649.8	1272.3	
36	0.842	0.139	0.552	0.314	0.142	0.179	0.211	0.387	21.7	53.3	770.4	380.4	1.087	1.198	1004.2	1025.9	4450.4	
37	0.745	0.270	0.572	0.260	0.222	0.760	0.259	0.732	34.0	775.4	186.8	267.5	1.757	1.950	2219.5	2253.7	6637.2	
38	0.746	0.291	0.573	0.254	0.184	0.572	0.260	0.623	27.7	541.1	152.5	702.5	1.504	1.736	1797.1	1829.7	5783.1	
39	0.746	0.436	0.574	0.269	0.154	0.536	0.238	0.624	31.1	399.4	645.4	516.5	1.446	1.630	1581.3	1592.4	6394.1	
40	0.746	0.457	0.574	0.274	0.172	0.501	0.232	0.582	29.4	302.9	769.2	388.7	1.287	1.459	1460.8	1490.2	8291.7	
41	0.746	0.489	0.575	0.279	0.182	0.420	0.229	0.502	27.5	222.5	999.6	291.3	1.131	1.293	1522.4	1550.9	12639.5	
42	0.745	0.476	0.573	0.284	0.150	0.344	0.213	0.446	25.4	179.3	1371.4	218.8	0.993	1.143	1789.5	1795.0	25214.5	
43	0.744	0.422	0.573	0.289	0.139	0.272	0.215	0.399	23.1	137.6	2099.0	166.2	0.897	1.036	2042.8	2126.0	59266.2	
44	0.742	0.428	0.570	0.294	0.127	0.208	0.218	0.364	20.6	103.9	2027.5	129.6	0.890	1.017	4171.1	4191.7	206664.5	
45	0.740	0.416	0.561	0.299	0.116	0.158	0.219	0.346	17.9	78.8	12552.2	102.2	1.083	1.199	12332.1	12751.0	1216374.1	

表VI-5 (64-27)

		1	2	3	4	5	
$r_2$		150	150	150	150	150	
$r_3$		0	0	10	10	20	
$r_4$		11000	12000	11000	12000	12000	
$r_5$		-5400	-5400	-5400	-5400	-5400	
$\sigma$		0.188	0.188	0.188	0.188	0.188	
		r		p		s	
区	$TU_{\text{算定}}$	0.659	0.606	0.653	0.612	0.642	
区	$TU_{\text{計}}$	0.755	0.853	0.784	0.711	0.755	
	$AP_{\text{算定}}$	304.2	254.8	938.9	734.4	2834.6	
	$AP_{\text{計}}$	319.1	278.1	955.9	749.4	2654.0	
	OBP	245.5	184.6	4919.7	2505.1	70933.9	
区	$TU_{\text{算定}}$	0.787	0.727	0.763	0.721	0.732	
区	$TU_{\text{計}}$	0.917	0.857	0.833	0.841	0.854	
	$AP_{\text{算定}}$	156.0	170.8	399.3	320.5	902.3	
	$AP_{\text{計}}$	219.7	192.9	421.3	341.2	921.1	
	OBP	53.6	38.6	629.8	349.5	5025.9	
区	$TU_{\text{算定}}$	0.951	0.923	0.943	0.911	0.916	
区	$TU_{\text{計}}$	1.135	1.093	1.108	1.074	1.076	
	$AP_{\text{算定}}$	242.8	215.9	362.6	303.2	531.5	
	$AP_{\text{計}}$	271.8	245.5	390.6	331.8	608.6	
	OBP	52.6	38.2	213.4	130.1	1144.4	
区	$TU_{\text{算定}}$	0.852	0.832	0.857	0.857	0.890	
区	$TU_{\text{計}}$	1.027	0.974	1.025	0.988	1.017	
	$AP_{\text{算定}}$	375.6	307.2	809.7	531.3	1480.8	
	$AP_{\text{計}}$	402.0	321.5	837.6	607.2	1490.2	
	OBP	198.4	111.6	1471.4	578.7	5783.1	

○印の数字は、表VI-5の( )所記の数字、記号については(表)参照。

Among the sets of parameters, those with relatively small values for  $\phi$  are listed in Tab. VI-5.

It can be seen that the ranges of  $V$  found to be consistent with the theory (i.e. satisfying the theoretical restrictions) are fairly stable among the various sets of preference parameters, ① through ⑤. (see previous table) Secondly, minimum and maximum values for the ranges for each year slightly increase from 1961 through 1964. This seems to be consistent with the experience in Japanese economic growth during those years.

We can see that plausible values for  $V$  appear to be 45 and 46 for 1964, 41, 42 and 43 for 1963, 39 and 40 for 1962, and, 32, 33, 34, 36 and 37 for 1961. The underlined figures are those which appear most frequently among groups of the parameters ( $\gamma_i, \sigma$ ) 1 through 5 for each year.

Fig. VI-13(b) indicates that the sums of  $\mu^e$ ,  $\mu^{ed}$ , and  $\mu^d$  are underestimated. Hence, it appeared necessary to augment the intercept of the marginal utility curve of income  $\gamma_2$  and to reduce that of leisure  $\gamma_4$ . Before doing so, a preliminary test was conducted to, making use of data for 1964, to examine if restrictions 1 through 7 were violated by slight shifts in parameters  $\gamma_4$ ,  $\gamma_5$  and  $\gamma_3$ . The results were;

(a) Shifting  $\gamma_2$  from 150 to 195 (intervals are 5) does not violate the restrictions and

(b) Shifting  $\gamma_4$  from -6400 to -6700 (intervals are 100) does not violate the restrictions

(c) Shifting  $\gamma_3$  from 0 to 10 (intervals are 2) does not violate the restrictions.

(b)

By taking advantage of results (a) and (c), we set the trial level of parameters as follows, where intervals between testing levels are narrowed

down in comparison to previous ones.

$\gamma_2$	150	155	160	165	170-175	
$\gamma_3$	0	2	4	6	8	10
$\gamma_4$	12000	11900	11800	11700	11600	11500
$\gamma_5$	-6400	-6500	-6600	-6700		
$\sigma$	0.188	0.193	0.198			

By making combinations of numerical values of the parameters listed in the table, we obtained parameter sets. For each of these sets, we computed theoretical values for  $\mu^e$ ,  $\mu^{ed}$  and  $\mu^d$ . Among those results, sets of parameters with favorable  $\phi$ , TU and AAPE were selected as shown in ~~the~~ the following table.

Results for the year 1964-69

	TU <sub>1</sub>	TU <sub>2</sub>	AAPE <sub>1</sub>	AAPE <sub>2</sub>	$\phi$	$r_1$	$r_2$	$r_3$	$r_4$	$r_5$
1	.573	.646	297.5	310.3	353.7	150	5	12000	-6700	.188
2	.577	.643	207.3	218.9	125.3	150	2	12000	-6700	.188
3	.813	.912	115.3	144.9	15.0	165	0	12000	-6700	.188
4	.737	.792	119.9	131.9	15.4	160	0	11900	-6400	.198
5	.797	.860	112.3	132.7	13.9	165	0	12000	-6400	.198
$\mu^e$	$\mu^d$	$\mu^{ed}$	$\mu^d$							
1	45	42	39	36						
2	45	42	39	36						
3	45	43	40	37						
4	45	43	40	37						
5	45	43	40	36						

(\*) Suffixes 1 and 2, respectively indicate the values when non participation probabilities are excluded and included.

The estimated values for  $\mu^e$ ,  $\mu^{ed}$  and  $\mu^d$  are depicted in Fig. 11-14.

It can be seen that the fitting for  $\mu^e$  is, to some extent, improved but considerable systematic discrepancies between theoretical and observed values for  $\mu^d$  remained. Hence, in order to reduce these discrepancies, the Newton method was used to estimate a better set of values of preference parameters making use of the values shown in Tab. (the above table) as initial values for the computation. However, the results of applying the Newton method did not seem to be successful, because at the point where the objective function attained its local maximum, the initial values of parameters

did not change sufficiently, so that estimated  $\mu^e$ ,  $\mu^{ed}$  and  $\mu^d$  did not closely approach to the observed values.

Hence, we might suspect that the discrepancy between the estimated and the observed values did not stem from the estimation method employed but from some inadequacy in the model itself. However, it seems that we should not discard the basic characteristics of the model under consideration, because we have succeeded, at least to some extent, in following the basic characteristics of the observed data; that is, the upward convexity of the  $\mu^d$  curve and downward sloping  $\mu^{ed}$  and  $\mu^e$  curves.

Nevertheless, it seemed that we would not be able to proceed further without altering some part of the present model because the ranges of the parameters satisfying the theoretical restrictions are fairly narrow and we cannot expect any sets of parameters left contribute to the reduction of discrepancies between estimated and observed values of  $\mu^e$ ,  $\mu^{ed}$  and  $\mu^d$ .

In fact the model seems to have one point, at least, that needs to be rewritten; that is,  $\bar{\gamma}_4$ , the intercept of marginal utility line of leisure, has been assumed to be written as  $\gamma_4 u$ , with the (density) distribution function of  $u$  being log-normal. This is equivalent to assuming that the minimum value of  $\bar{\gamma}_4$  is zero, an assumption which cannot be expected to result in favorable approximation. Hence, we shall rewrite the model taking into account this point.

[6.3.2] Introduction of  $\gamma_4^0$  and <sup>the</sup> estimation of the parameters

We rewrite the model replacing  $\gamma_4 u$  by

$$1) \quad \gamma_4^0 + \gamma_4 u, \quad \gamma_4^0 > 0$$

where  $\gamma_4^0$  stands for the minimum value of  $\bar{\gamma}_4$  distributed among households. Hence,  $\gamma_4$ 's in the previous model are replaced by (1). Making use of this rewritten model, we shall ~~restrict~~ <sup>reestimate</sup> the parameters of the preference function.

Parameters other than  $\gamma_4^0$  have been estimated in the previous section. We use those estimates as initial values for obtaining second approximation estimates of the parameters together with the newly introduced  $\gamma_4^0$ .

First we must determine the plausible range for  $\gamma_4^0$  satisfying restrictions 1 through 7. We tentatively set this range from 0 to 1920. Computation results indicated plausible values for  $\gamma_4^0$  were from 0 to 800.

Next, we narrowed down the range of tentative values for  $\gamma_4^0$ .

The values 0, 10, 40, 120, 320 and 800 were adopted and, together with the values for  $\gamma_4^0$ , the numerical values for  $\gamma_s$  were simultaneously varied from -6000 through -6800, the intervals being 100. The values for the other parameters to be tentatively assigned are shown in the table (c).

Making use of combinations of the values for  $\gamma_4^0$  and  $\gamma_s$  mentioned above, estimates or theoretical values for  $\mu^e$ ,  $\mu^{ed}$  and  $\mu^d$  and values for objective function  $\phi$  were computed. Among those results, the cases satisfying the restrictions are shown in Tab. VI-6 <sup>(6)</sup>. However, it should be noted that plausible sets of parameters might have been excluded because of the wideness of intervals for tentatively assigned values of the parameters. In order to check this point, we alternatively took 0, 2, 4, 6, 8 and 10 for  $\gamma_4^0$  and 0.178, 0.180, 0.182, 0.184, 0.186 and 0.188 for  $\sigma$ .

(\*) Other parameters are given in the table below.

(c)

case	$u_{s4}$	$u_{s3}$	$u_{s2}$	$u_{s1}$	$r_2$	$r_3$	$r_4$	$\sigma$	$h$
1	45	42	39	36	150	6	12000	0.188	$\frac{1}{3}$
2	45	42	39	36	150	2	12000	0.188	$\frac{1}{3}$
3	45	43	40	37	165	0	12000	0.188	$\frac{1}{3}$
4	45	43	40	37	160	0	11900	0.198	$\frac{1}{3}$
5	45	43	40	36	165	0	12000	0.198	$\frac{1}{3}$

These values are reproduced from the table (B) on page 270.

Assigned values for  $\gamma_5$  and  $\gamma_4^0$  are as follows.

$\gamma_5$  -6000, -6100, -6200, -6300, -6400, -6500, -6600, -6700, -6800  
 $\gamma_4^0$  0, 10, 40, 120, 320, 800

Tab. 81-4/6

(1)  $r_2$   $r_3$   $r_4$   $\sigma$   
150, 6, 12000, .188

(2) 150, 2, 12000, .188

n	$r_1^0$	$r_5$	$\phi_{29}$	$\phi_{28}$	$\phi_{27}$	$\phi_{26}$
1	0	-6300	147.2	184.1	352.9	127.9
2		-6400	132.5	152.5	310.6	112.1
3		-6500	122.7	125.8	272.6	97.9
4		-6600	118.1	104.2	239.5	85.6
5		-6700	119.0	88.1	211.6	75.3
6		-6800				
7	10	-6300	148.7	187.3	357.1	129.5
8		-6400	133.4	155.3	314.3	113.5
9		-6500	123.0	128.0	275.8	99.1
10		-6600	117.9	105.8	242.1	86.5
11		-6700	118.1	89.0	213.5	76.1
12		-6800	124.1			67.7
13	40	-6300	153.5	197.4	370.1	134.4
14		-6400	136.6	163.7	325.8	117.9
15		-6500	124.5	134.9	285.8	102.9
16		-6600	117.6	110.9	250.4	89.7
17		-6700	115.9	92.3	220.0	78.5
18		-6800	119.8	79.2	195.1	69.4
19	120	-6300	169.0	225.6	406.6	148.0
20		-6400	148.0	189.3	359.0	130.3
21		-6500	131.6	156.2	315.2	114.0
22		-6600	120.0	127.8	275.5	99.2
23		-6700	113.4	104.3	240.5	86.2
24		-6800	112.2	86.2	210.5	75.2
25	320	-6300	222.3	312.9	509.7	186.1
26		-6400	192.5	267.5	455.3	166.1
27	320	-6500	166.5	225.6	403.7	147.0
28		-6600	144.7	187.5	355.3	129.0
29		-6700	127.3	153.7	310.5	112.4
30		-6800	114.5	124.3	269.8	97.3
31	800	-6300	413.1	572.3	797.1	289.7
32		-6400	368.9	514.9	734.9	267.6
33		-6500	326.9	459.3	673.1	245.5
34		-6600	287.5	405.7	613.0	223.6
35		-6700	250.8	354.6	554.1	202.2
36		-6800	217.8	306.2	497.1	181.3

n	$r_1^0$	$r_5$	$\phi_{29}$	$\phi_{28}$	$\phi_{27}$	$\phi_{26}$
1	0	-6300	148	192	354	130
2		-6400	134	161	323	115
3		-6500	125	135	285	101
4		-6600	123	115	254	89
5		-6700	125	100	228	80
6		-6800				
7	10	-6300	150	195	368	132
8		-6400	135	164	325	116
9		-6500	126	137	289	102
10		-6600	122	116	256	90
11		-6700	124	101	230	80
12		-6800				
13	40	-6300	154	205	281	137
14		-6400	138	172	337	120
15		-6500	127	143	298	106
16		-6600	121 <sup>5</sup>	120	254	93
17		-6700	121 <sup>4</sup>	103	235	82
18		-6800				
19	120	-6300	169	233	417	150
20		-6400	148	196	369	132
21		-6500	132	163	326	116
22		-6600	121	139	287	102
23		-6700	116	113	253	89
24		-6800	117	96	225	79
25	320	-6300	221	319	519	188
26		-6400	191	273	464	168
27	320	-6500	165	231	412	149
28		-6600	143	193	364	131
29		-6700	126	159	319	114
30		-6800	114	130	279	99
31	800	-6300	413	581	807	291
32		-6400	368	523	744	269
33		-6500	325	466	682	247
34		-6600	285	411	621	225
35		-6700	247	359	562	203
36		-6800	213	310	504	182



	$r_i^0$	$r_s$	$\phi_{29}$	$\phi_{28}$	$\phi_{27}$	$\phi_{26}$
1	0	-6300	310	204	282	76
2		-6400	355	235	299	78
3		-6500	408	276	321	83
4		-6600	470	325	361	92
5		-6700	540	387	408	105
6		-6800				
7	10	-6300	304	199	278	75
8		-6400	343	229	291	77
9		-6500	400	269	319	82
10		-6600	460	318	354	90
11		-6700	530	377	400	103
12		-6800				
13	40	-6300	287	187	270	74 <sup>1</sup>
14		-6400	327	213	282	74 <sup>5</sup>
15		-6500	375	249	303	78
16		-6600	433	291	331	85
17		-6700	499	350	376	96
18		-6800				
19	120	-6300	247	160	255	73
20		-6400	279	178	257	70
21		-6500	319	201	269	71
22		-6600	368	239	290	74
23		-6700	425	284	320	82
24		-6800	491	339	351	93
25	320	-6300	180	129	253	82
26		-6400	194	138	236	73
27	320	-6500	216	134	227	66
28		-6600	244	147	225	62 <sup>9</sup>
29		-6700	281	169	232	62
30		-6800	325	199	247	64
31	800	-6300	178	215	401	149
32		-6400	159	181	354	131
33		-6500	145	152	311	114
34		-6600	136	128	273	98
35		-6700	133	109	240	84
36		-6800	136	96	212	72

	$r_i^0$	$r_s$	$\phi_{29}$	$\phi_{28}$	$\phi_{27}$	$\phi_{26}$
1	0	-6300	285	214	308	84
2		-6400	322	241	323	86
3		-6500				
4		-6600				
5		-6700				
6		-6800				
7	10	-6300	280	210	305	83
8		-6400	316	236	319	85
9		-6500				
10		-6600				
11		-6700				
12		-6800				
13	40	-6300	265	199	297	82 <sup>1</sup>
14		-6400	298	222	307	82 <sup>7</sup>
15		-6500				
16		-6600				
17		-6700				
18		-6800				
19	120	-6300	231	175	282	80
20		-6400	257	189	284	78 <sup>2</sup>
21		-6500	290	212	294	78 <sup>8</sup>
22		-6600				
23		-6700				
24		-6800				
25	320	-6300	177	150	279	87
26		-6400	186	146	263	79
27	320	-6500	202	149	254	73
28		-6600	225	159	251	69 <sup>5</sup>
29		-6700	254	177	256	69 <sup>7</sup>
30		-6800				
31	800	-6300	191	240	422	151
32		-6400	172	206	376	134
33		-6500	155	175	334	117
34		-6600	143	150	297	102
35		-6700	136	130	264	88
36		-6800	135	115	236	77

(5) 165, 0, 12000, .198

	$r_1^0$	$r_s$	$\phi_{19}$	$\phi_{18}$	$\phi_{17}$	$\phi_{16}$
1	0	- 6300	385	290	363	129
2		- 6400	433	332	393	135
3		- 6500				
4		- 6600				
5		- 6700				
6		- 6800				
7	10	- 6300	379	284	355	128
8		- 6400	433	325	392	133
9		- 6500	490	376	430	143
10		- 6600				
11		- 6700				
12		- 6800				
13	40	- 6300	359	266	349	125
14		- 6400	407	304	374	129
15		- 6500	463	351	409	137
16		- 6600				
17		- 6700				
18		- 6800				
19	120	- 6300	310	225	319	119
20		- 6400	349	255	334	120
21		- 6500	397	292	358	125
22		- 6600	453	339	393	133
23		- 6700				
24		- 6800				
25	320	- 6300	222	167	285	117
26		- 6400	244	175	279	111
27	320	- 6500	272	190	281	108 <sup>s</sup>
28		- 6600	307	214	291	108 <sup>s</sup>
29		- 6700	351	246	310	111
30		- 6800	402	286	333	117
31	800	- 6300	178	202	377	165
32		- 6400	165	174	333	149
33		- 6500	156	152	302	134
34		- 6600	154	135	272	120
35		- 6700	157	123	247	109
36		- 6800	166	118	228	99

Using combinations of the given values for  $\gamma_4^0$  and  $\sigma$ , we examined if the theoretical restrictions 1 through 5 were violated. It was found that there was no case violating the restrictions. To further substantiate this conclusion, we extended the range for  $\gamma_4^0$  from 0 through 40. The intervals of tentative values were 8. The trial levels for  $\sigma$  was the same as the previous ones. Combinations of the values for  $\gamma_4^0$  and  $\sigma$  were checked against restrictions 1 through 5. Again, the results showed that there were no cases violating the restrictions.

Taking into account the results of these preliminary test, it was thought that there was little chance that any combination of parameters would violate the restrictions for the ranges checked even though combinations actually tested were limited in number. Hence, we proceeded to convergence-computation for estimating parameters making use of the steepest ascent method.

Initial values of the preference parameters were tentatively chosen as,

$\sigma=0.188$ ,  $\gamma_2=150$ ,  $\gamma_3=2$ ,  $\gamma_4=12000$ ,  $\gamma_5=-6700$  and  $\gamma_4^0=40$   
 with other parameters given as  $h=0.33$ ,  $w_{39}=47.4$ ,  $v_{39}=45$ ,  $w_{38}=44.10$   
 $v_{38}=42$ ,  $w_{37}=41.70$ ,  $v_{37}=39$ ,  $w_{36}=38.4$  and  $v_{36}=36$ .

The objective function  $\chi^2$  was computed by employing the entire data set from 1961 through 1964 and corresponding estimated values for the parameters.

However, before we proceed to the estimation, one point should be made. According to the experience of previous estimation results and the preliminary estimation making use of above mentioned set of initial values of parameters, the results of which are deleted here, it was found (1) that

when we allow all the parameters to vary, some parameters, sometimes, clearly do not attain their optimal (minimizing  $x^2$ ) value for the ranges fulfilling the restrictions and (2) that when we allow  $\sigma$  and  $\gamma_4^0$  to vary, other parameters being fixed at initial values, the speed of convergence for  $\gamma_4^0$  is extremely slow.

These experiences show that some parameters barely attain convergence when their initial values and/or initial values for the other parameters are not appropriate. Consequently, to begin with, we shall vary numerical values of a few parameters among the parameters to which initial values are attached. In the first place, we shall allow  $v$  only to vary because we have some information for the values to be estimated. That is, the observational period under consideration is a period of fairly steady growth as shown by the growth of  $w$  as well as the growth rate of GNP, and consequently the parameter  $v$  to be estimated is expected to grow. At the very least, a descending values or radical random movement in  $v$  can be ruled out.

This constitutes information for estimating  $v$ . That is, if we have estimates (or convergence values) for  $v$  that exhibit such counter-intuitive movement, it may be considered that the values for other parameters are inadequate as initial values to be adopted. Consequently, we should allow parameters other than  $v$  to vary in order to minimize  $x^2$ , and after that, we have to vary  $v$  by employing the newly attained values of other parameters (which we have varied with minimum  $x^2$  principle) as given. After this procedure, we should examine if the estimated values for  $v$  are Consistent with the other information.

As a "postulate" for the estimation, we consider (1) the parameters  $\gamma_1, \gamma_2, \gamma_3, \gamma_4, \gamma_5, \gamma_4^0$  and  $\sigma$  to be constant for all the observational years and for all the principal earner's income classes and (2)  $w, v$  and  $\bar{n}$

are considered to vary from year to year but are considered to be constant cross-sectionally. We minimize

$$\Phi_t \quad (t=1961, \dots, 64)$$

instead of  $\sum_t \Phi_t$ . After obtaining  $\Phi_t$ 's thus minimized we calculate  $\sum_t \hat{\Phi}_t$ , where  $\hat{\Phi}_t$  stands for the minimized value of  $\Phi_t$  for each year.

### Experiment I

As was mentioned above, we start from the estimation of  $v$ .

	1964	63	62	61	
$\gamma_1$	-1				
$\gamma_2$	150				
$\gamma_3$	2				
$\gamma_4$	12000				
$\gamma_5$	-6700				
$\gamma_4^0$	40				
$\sigma$	0.188				
$h$	0.333				$\infty$
$\omega_t$	47.4	44.1	41.7	38.4	543.222
$v_t$	45 *(45.51)	42 (42.63)	39 (40.35)	36 (37.48)	(234.330)

Parameters except for  $v$  are held constant at their initial values.

$v_t$ 's are varied so as to minimize  $\Phi_t$ 's. The result of estimation is shown in the table. The estimates for  $v_t$ 's seem to satisfy the postulate for estimation.

(\*) values in the parentheses are the convergence values.

Experiment 2.

	64	63	62	61	$\phi$
$v$	45 → 45.48	42 → 42.63	39 → 40.35	36 → 37.48	543.298
$\sigma$	0.188 → 0.13675	0.188 → 0.17675	0.188 → 0.17675	0.188 → 0.17675	↓
$r_4^0$	40 → 25.3	40 → 25.3	40 → 25.3	40 → 25.3	431.099

Initial values for  $\gamma_2, \gamma_3, \gamma_4$  and  $\gamma_5$  are held constant at the same levels as in experiment 1, and  $\sigma$  and  $\gamma_4^0$  together with  $v$ , are varied. Estimates for the parameters are shown in the table below. It should be noted that the estimates for  $v_t$ 's are similar to those obtained in experiment 1. Also, the direction of changes in the theoretical (estimated) values for  $\mu_t^e, \mu_t^d$  and  $\mu_t^{ed}$  stemming from changes in the values for  $\sigma, \gamma_4^0$  and  $v_t$ 's is same as that observed in experiment 1.

The switching algebraic sign of  $r_4^0$  and the low speed of convergence which was experienced in preliminary estimation before experiment 1, which is deleted in this paper, did not occur in this experiment. In the preliminary experiment  $\gamma_4^0$ , together with  $\sigma$ , was varied, but in this experiment  $v_t$ 's were allowed to vary together with  $\gamma_4^0$  and  $\sigma$ . Hence, allowing  $v_t$ 's to vary caused  $\gamma_4^0$  to have a stable sign and also eliminated the problem of convergence speed.

The fitting of the cross sectional estimates for  $\mu^e, \mu^d$  and  $\mu^{ed}$  to the observed values in 1964 is fairly good. However, the estimates were not as good for the observed data for 1961 to 1963. In particular,  $\mu^d$  and  $\mu^e$  are underestimated.

obtained by making use of the parameters estimated.

Experiment 3.

A	$v$	$w$	$r_4$	$\phi$
1964	45.51	47.4	$\left. \begin{array}{l} 12000 \\ \downarrow \\ 11887.5 \end{array} \right\}$	462.33
63	42.63	44.1		↓
62	40.35	41.7		447.71
61	37.48	38.4		
$\sigma = 0.188, r_2 = 150, r_3 = 2, r_5 = -6700, r_4^0 = 40, h = 0.333$				
B	$v$	$w$	$r_5$	$\phi$
64	45.48	47.4	$\left. \begin{array}{l} -6700 \\ \downarrow \\ -6962.5 \end{array} \right\}$	431.32
63	42.63	44.1		↓
62	40.35	41.7		356.12
61	37.48	38.4		
$\sigma = 0.17675, r_2 = 150, r_3 = 2, r_4^0 = 25.3, h = 0.333$				
C	$v$	$w$	$r_5$	$\phi$
64	45.51	47.4	$\left. \begin{array}{l} -6700 \\ \downarrow \\ -6762.5 \end{array} \right\}$	462.33
63	42.63	44.1		↓
62	40.35	41.7		445.64
61	37.48	38.4		
$\sigma = 0.188, r_2 = 150, r_3 = 2, r_4 = 12000, r_4^0 = 40, h = 0.333$				
D	$v$	$w$	$r_4$	$\phi$
64	45.48	47.4	$\left. \begin{array}{l} 12000 \\ \downarrow \\ 11775 \end{array} \right\}$	431.32
63	42.63	44.1		↓
62	40.35	41.7		430.33
61	37.48	38.4		
$\sigma = 0.17675, r_2 = 150, r_3 = 2, r_5 = -6700, r_4^0 = 25.3, h = 0.333$				

This experiment examined the effect of varying  $\gamma_4$  and  $\gamma_5$  respectively. The results are shown for cases A through D. In cases A and C we used estimates for  $v_t$  obtained in experiment 1, while in cases B and D those estimates obtained in experiment 2 were used. Other parameters except for  $\gamma_4$  and  $\gamma_5$  are held constant during the four years, 1961 through 1964, the values of which are shown in the table in experiment 1, and are common to all cases A through D (with the exception of  $\sigma$ ).

More specifically, in cases A and D  $\gamma_4$  is allowed to vary, while in cases B and C  $\gamma_5$  is, and in cases A and C the value of  $\sigma$  is the one used in experiment 1, and in cases B and D the value of  $\sigma$  estimated in experiment 2 is employed. The purpose of using alternative values for  $\gamma_4$  or  $\gamma_5$ , respectively, are affected by slight differences in the values of parameters which are held constant for the estimation of  $\gamma_4$  or  $\gamma_5$ .

As shown in the table, the result was favorable, that is, the estimates of  $\gamma_4$  and  $\gamma_5$  were fairly stable for cases A and D and cases B and C respectively.

v and  $\sigma$  is to check if the estimates for

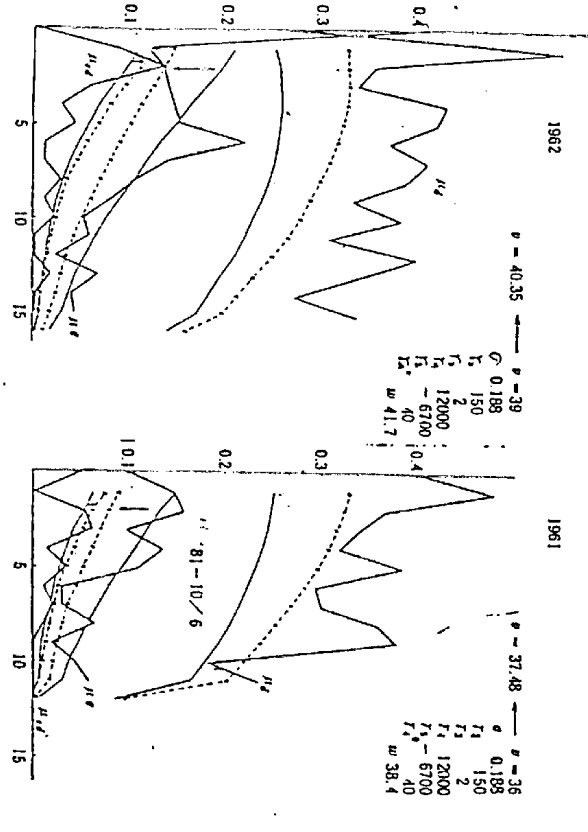
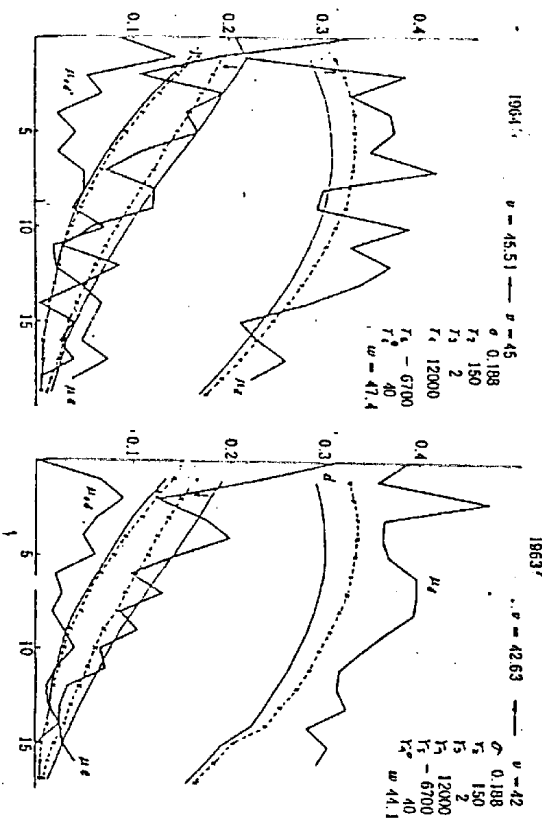
#### Experiment 4.

	64	63	62	61	
$v$	45.51	42.63	40.35	37.48	
$w$	47.4	44.10	41.70	38.4	
$\sigma$	0.188	0.188	0.188	0.188	$\phi$
$r_2$	150	150	150	150	458.42
$r_3$	2	2	2	2	↓
$r_4$	12000 → 12112.5	12000 → 11875	12000 → 11887.5	12000 → 11875	430.87
$r_4^0$	40	40	40	40	
$r_5$	-6700	-6700	-6700	-6700	
$h$	0.333	0.333	0.333	0.333	

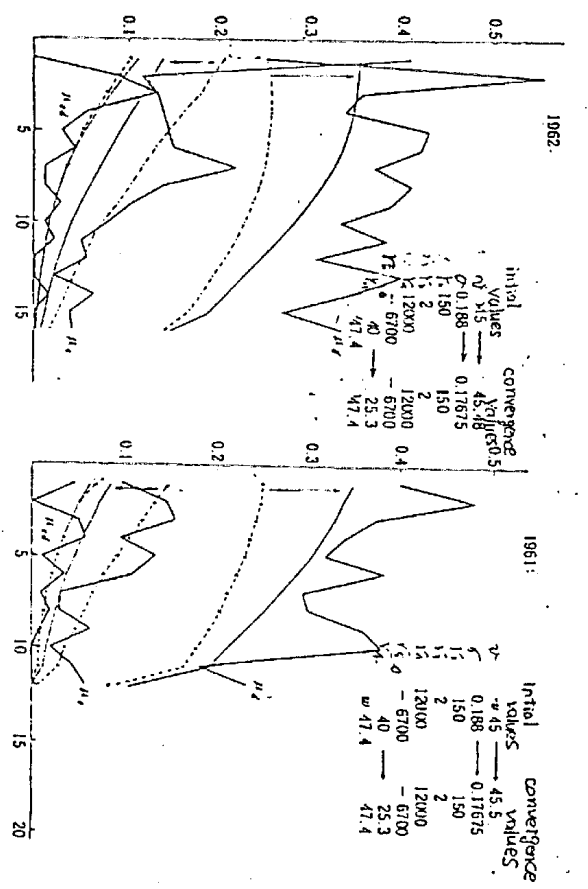
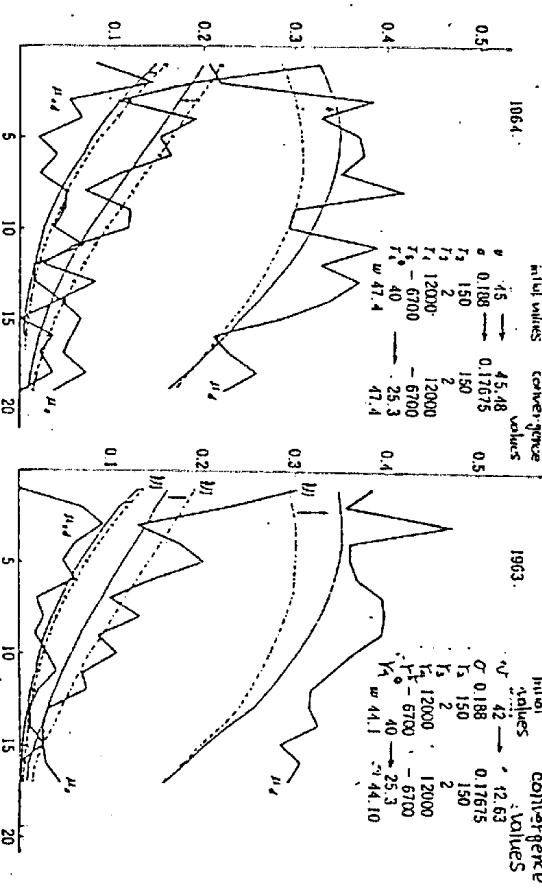
The purpose of this experiment was to check if the estimates for  $\gamma_4$  are stable for the four years, 1961 through 1964. Hence we allow the estimates for  $\gamma_4$  to vary from year to year in contrast to experiments 1 through 3. In those experiments estimates for  $\gamma_4$ , as well as other preference parameters,  $\gamma_2$ ,  $\gamma_3$ ,  $\gamma_5$ ,  $\gamma_4^0$  and  $\sigma$ , were obtained by using the postulate or a priori information that preference parameters should be stable over time.

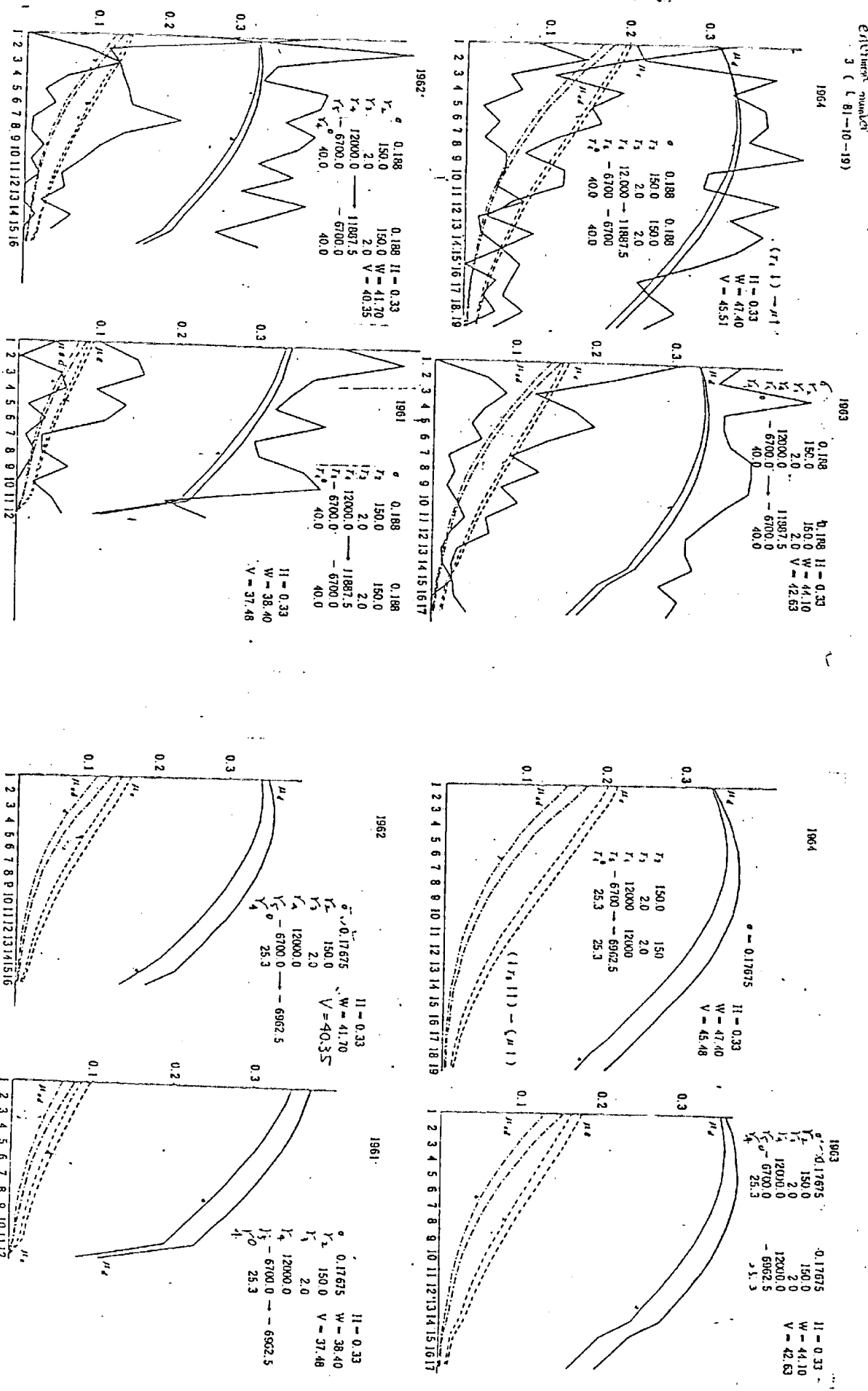


convergence 1 (table 1)

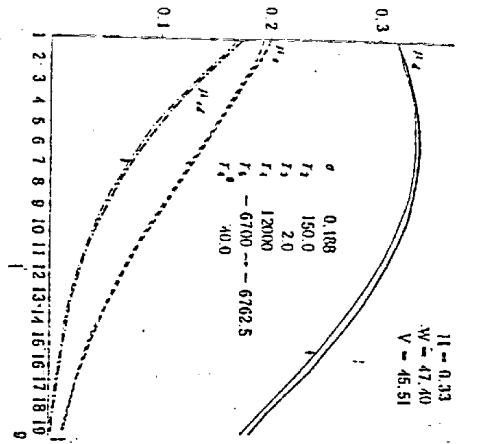


experiment number 2 (81-10-6-2)

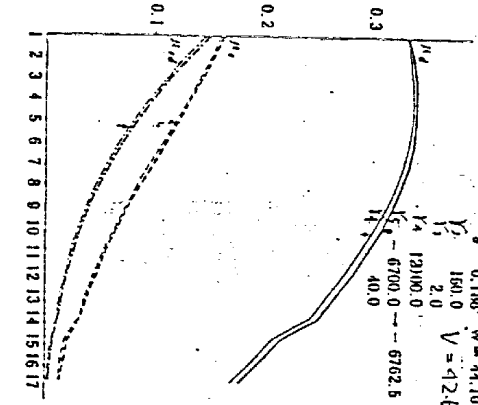




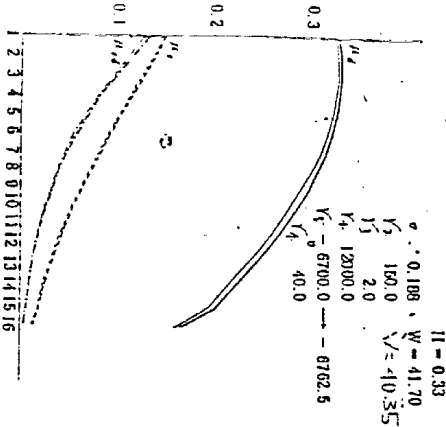
1904



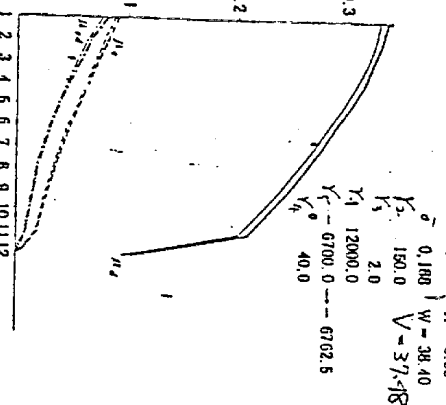
1903



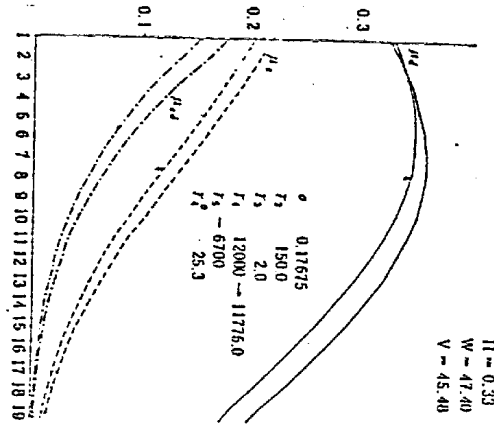
1902



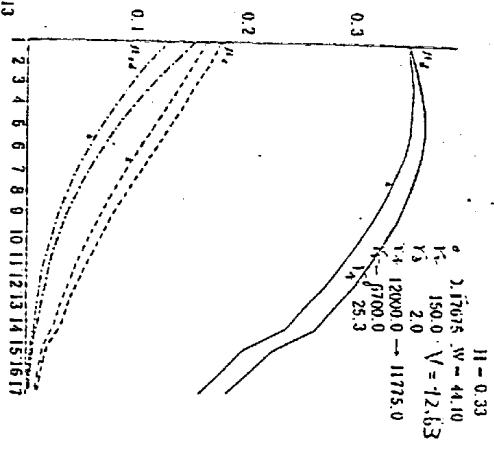
1901



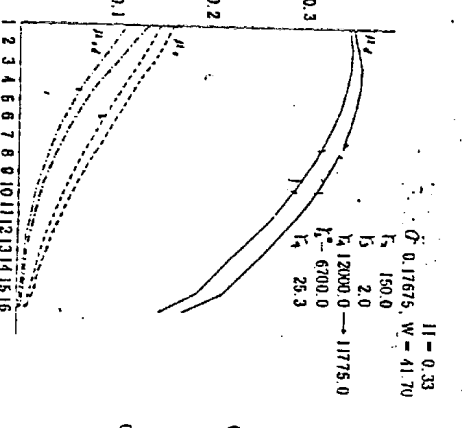
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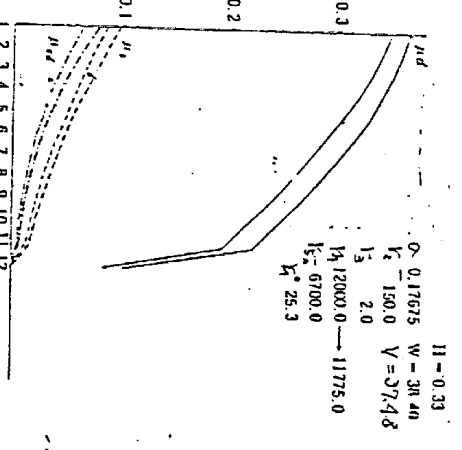
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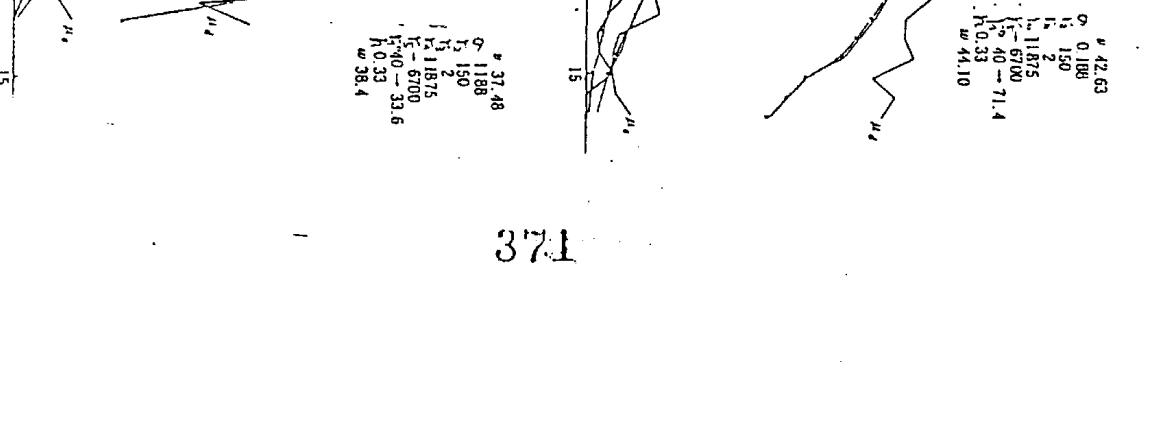
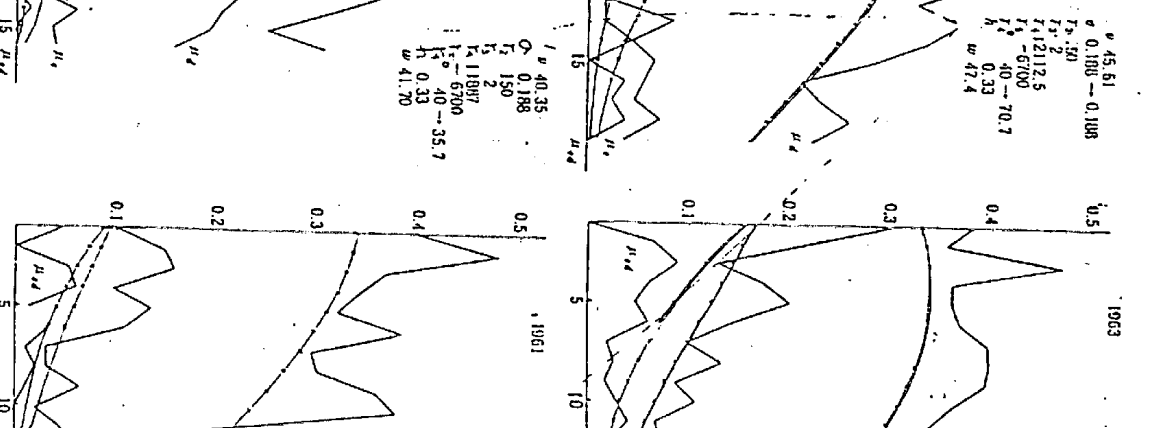
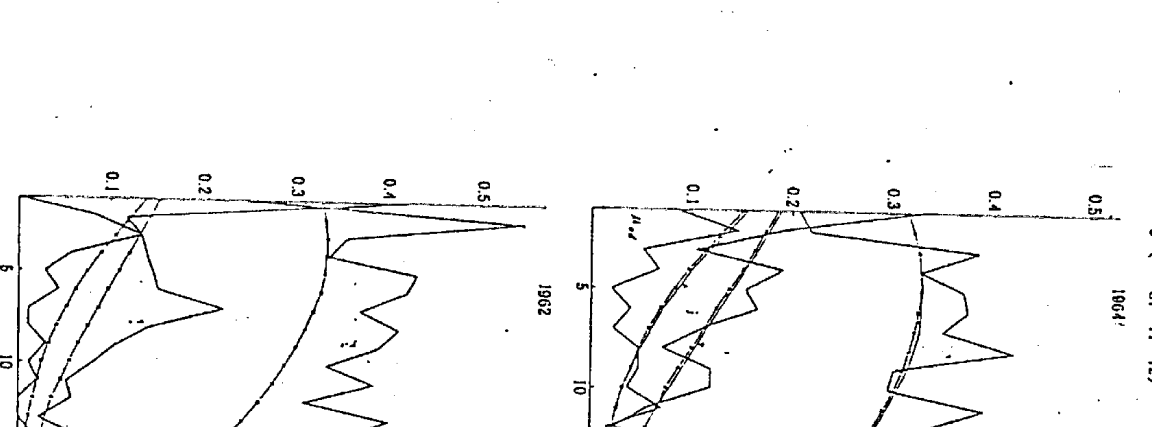
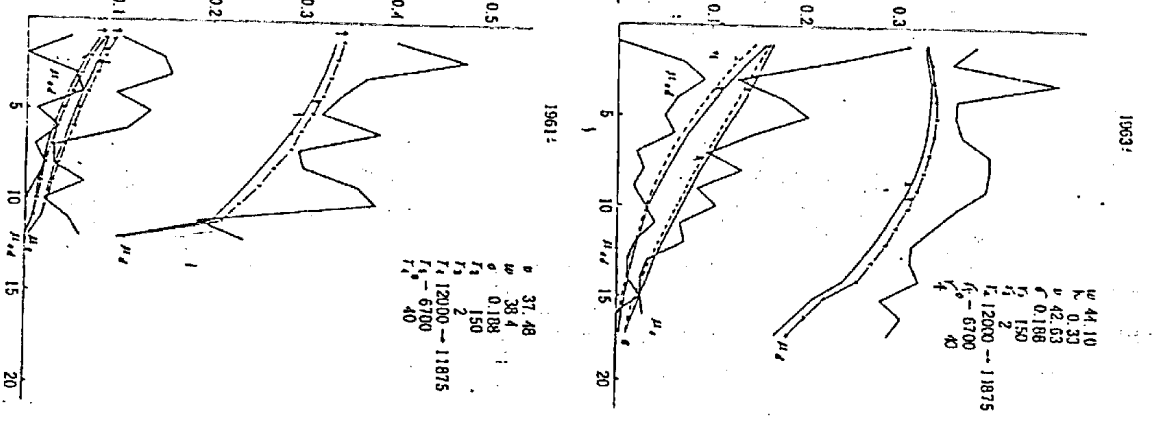
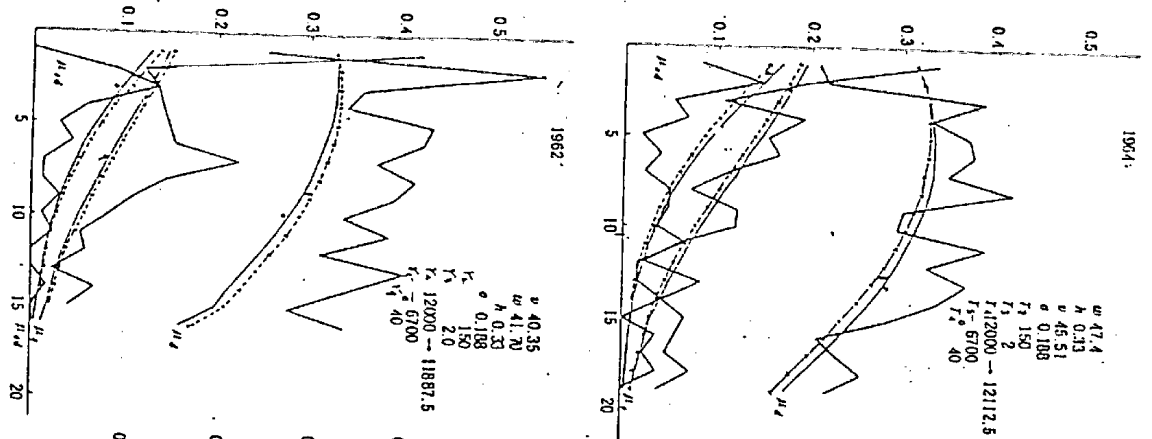


1902

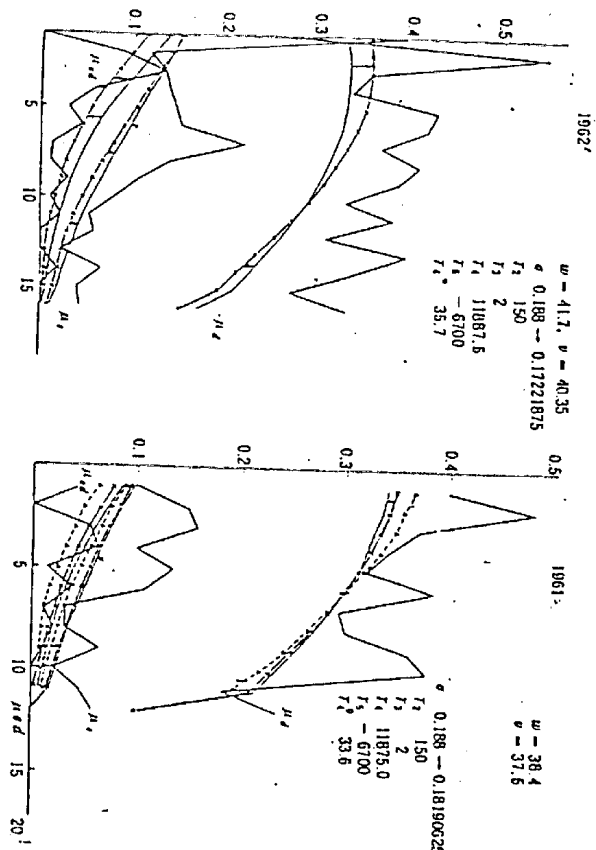
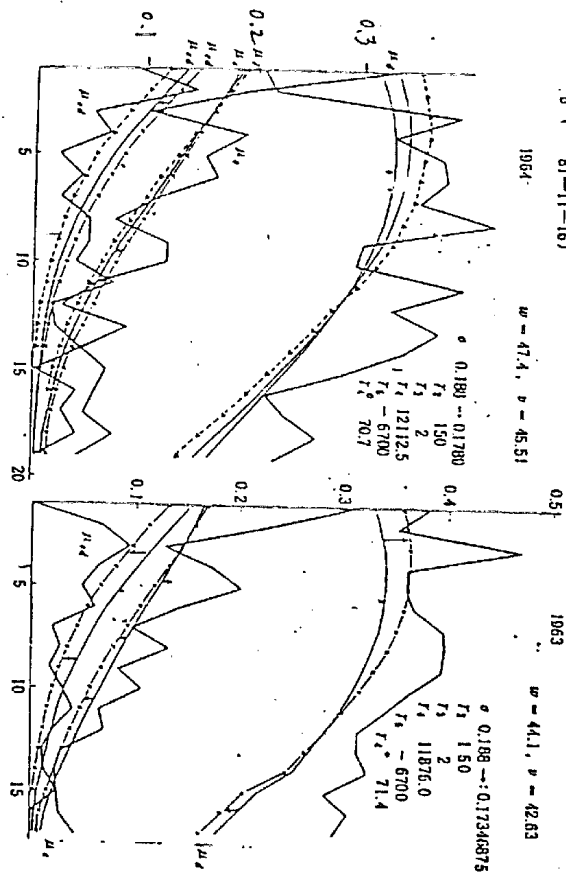


1901

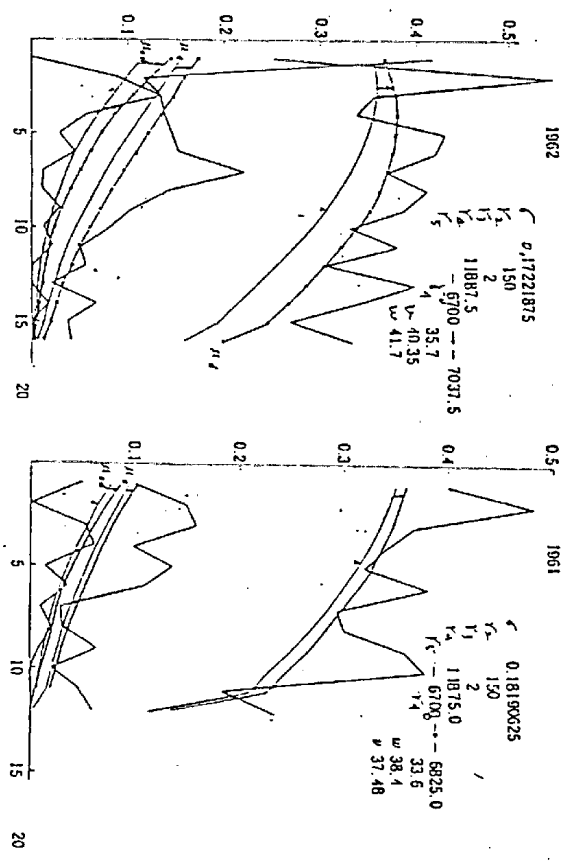
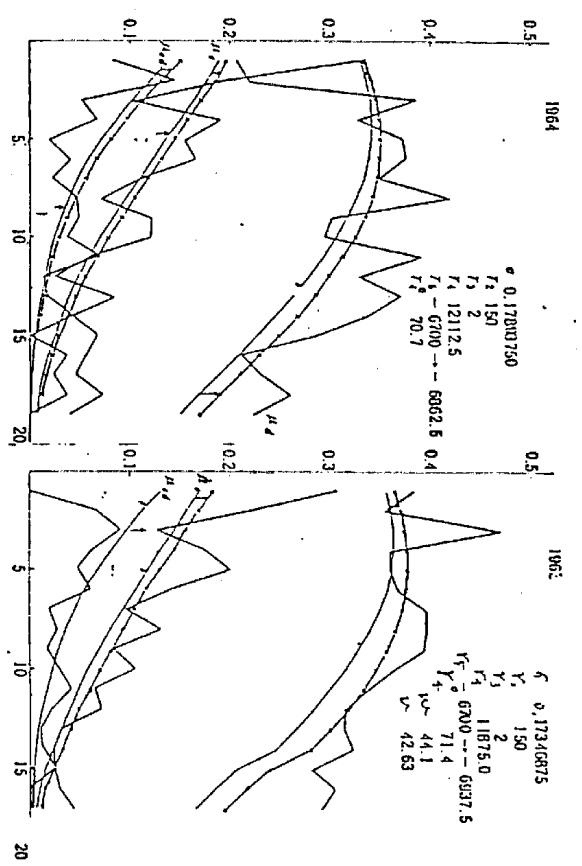




experiment number  
6 (81-11-16)

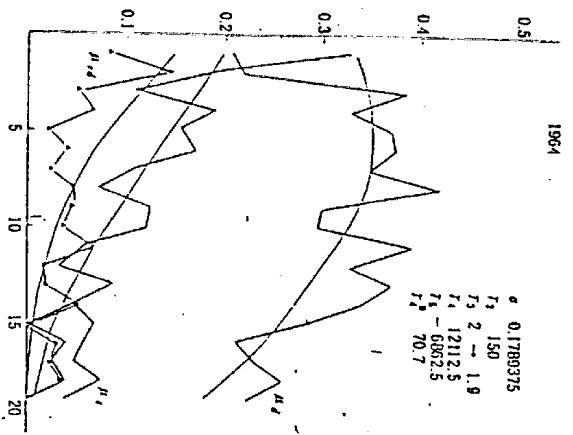


experiment number  
7 (81-12-1)



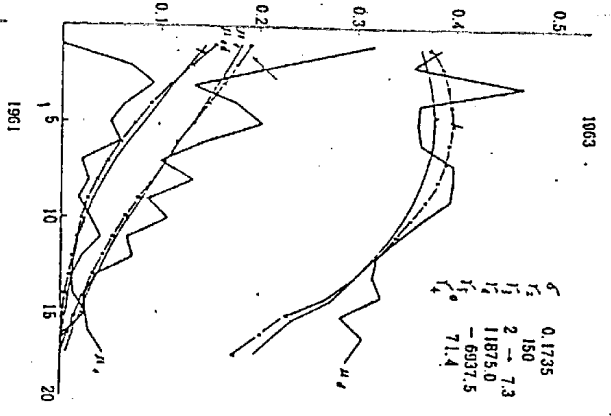
1964

0.1789375  
T<sub>1</sub> 150  
T<sub>2</sub> 2 - 1.9  
T<sub>3</sub> 12112.5  
T<sub>4</sub> - 6825.5  
T<sub>5</sub> 70.7

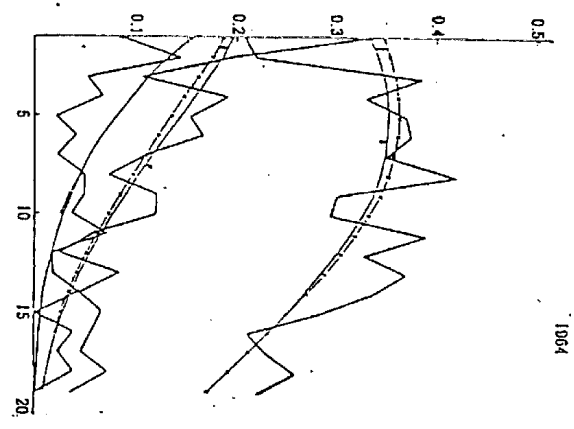


1963

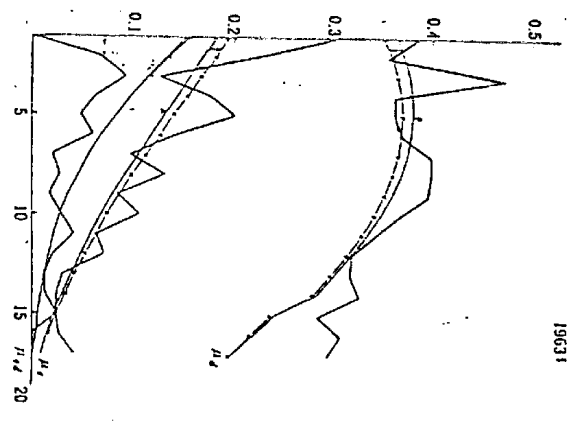
0.1735  
T<sub>1</sub> 150  
T<sub>2</sub> 2 - 7.3  
T<sub>3</sub> 11875.0  
T<sub>4</sub> - 6937.5  
T<sub>5</sub> 71.4



1964

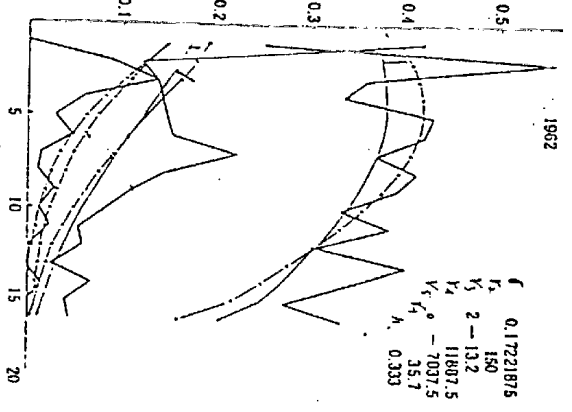


1963



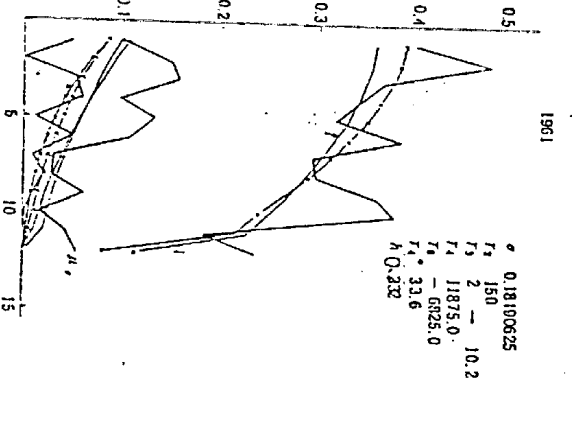
1962

0.17221875  
T<sub>1</sub> 150  
T<sub>2</sub> 2 - 13.2  
T<sub>3</sub> 11807.5  
T<sub>4</sub> - 7037.5  
T<sub>5</sub> 35.7  
h<sub>0</sub> 0.333

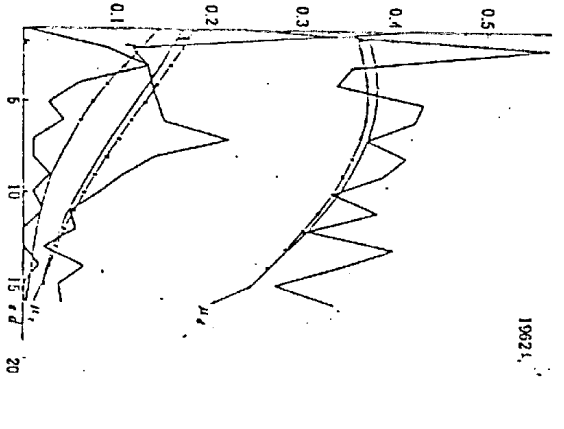


1961

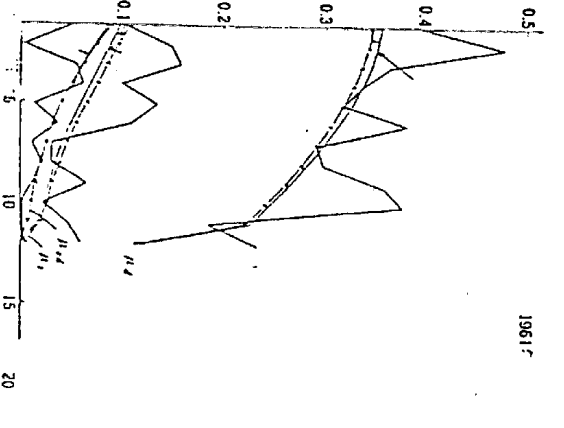
0.1810625  
T<sub>1</sub> 150  
T<sub>2</sub> 2 - 10.2  
T<sub>3</sub> 11875.0  
T<sub>4</sub> - 6825.0  
T<sub>5</sub> 33.6  
h<sub>0</sub> 0.232



1962



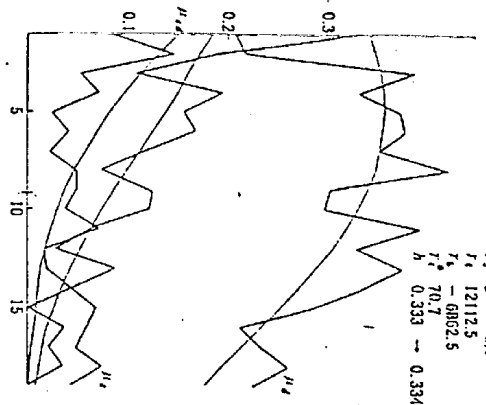
1961



experiment number  
10 (81-12-01 B)

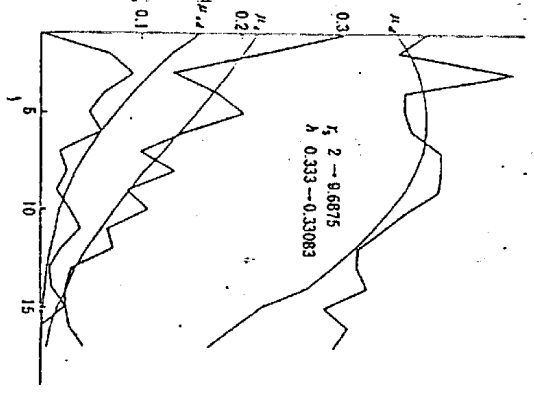
1964

$\sigma$  0.1788750  
 $T_1$  150  
 $T_2$  2 -- 0.7  
 $T_3$  12112.5  
 $T_4$  -6802.5  
 $T_5$  70.7  
 $T_6$  0.333 -- 0.33458



1963

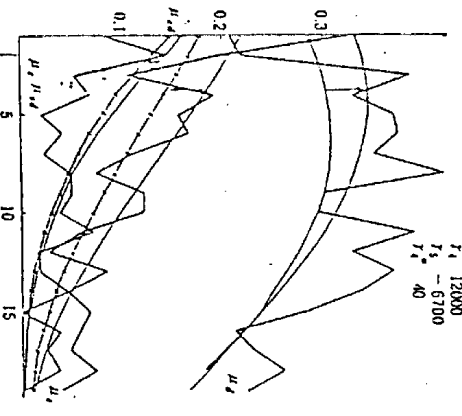
$T_1$  2 -- 9.6875  
 $\sigma$  0.333 -- 0.33083



experiment number  
112 (81-12-00 case 1)

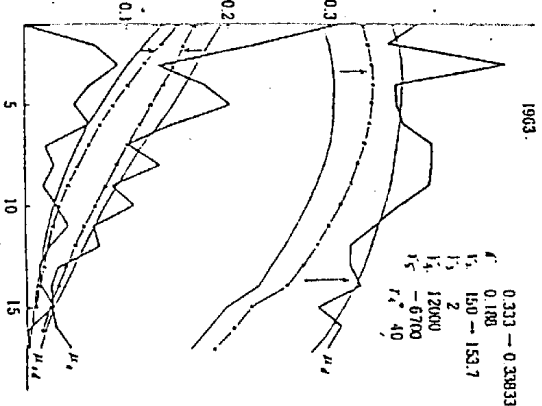
1964

$\sigma$  0.108  
 $T_1$  150 -- 148.7  
 $T_2$  2  
 $T_3$  12000  
 $T_4$  -6700  
 $T_5$  40



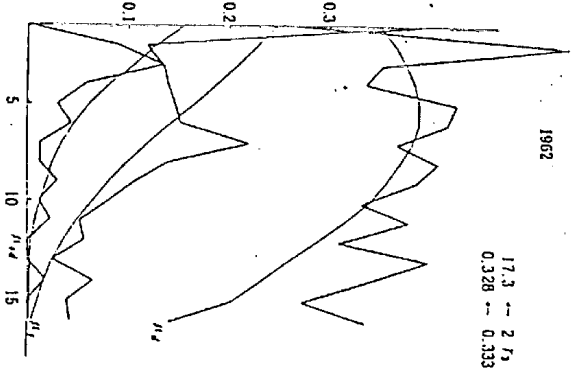
1963

$\sigma$  0.333 -- 0.33833  
 $T_1$  0.188  
 $T_2$  150 -- 153.7  
 $T_3$  2  
 $T_4$  12000  
 $T_5$  -6700  
 $T_6$  40



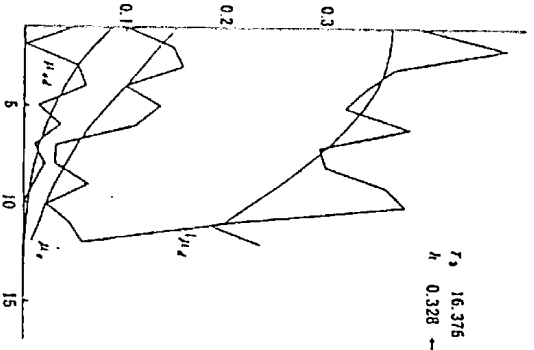
1962

$T_1$  3 -- 2  
 $T_2$  0.328 -- 0.3334



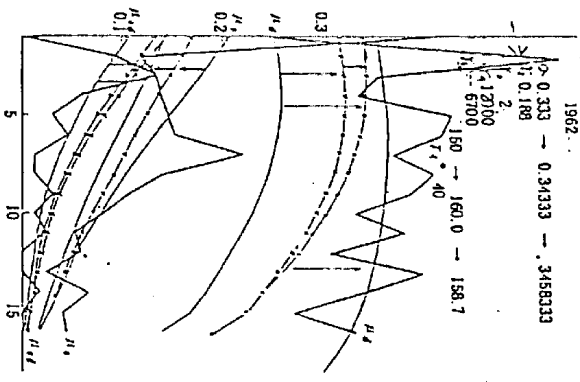
1961

$T_1$  16.375 -- 2  
 $\sigma$  0.328 -- 0.333



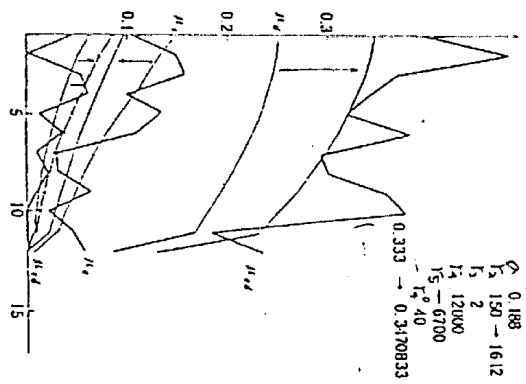
1962

$\sigma$  0.333 -- 0.34333 -- 3458333  
 $T_1$  0.188  
 $T_2$  12000  
 $T_3$  6700  
 $T_4$  150 -- 160.0 -- 158.7  
 $T_5$  40

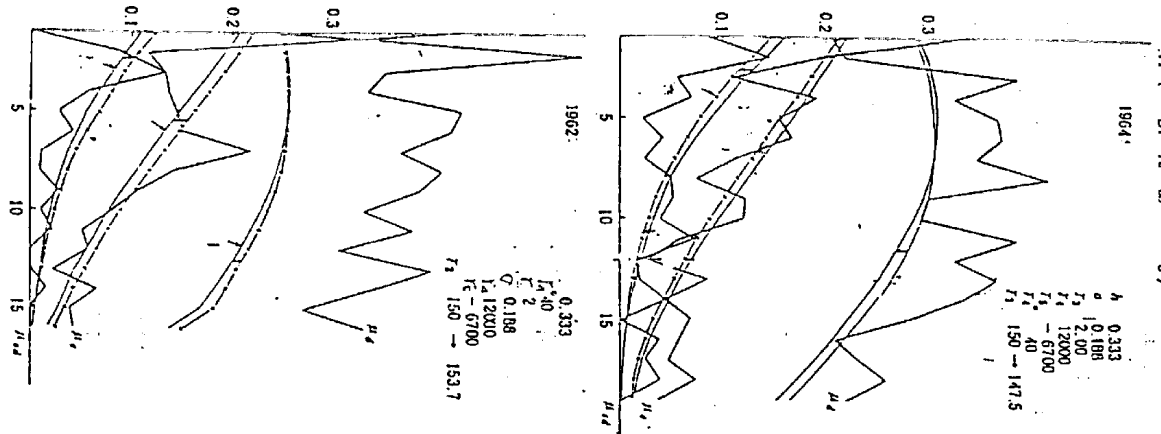


1961

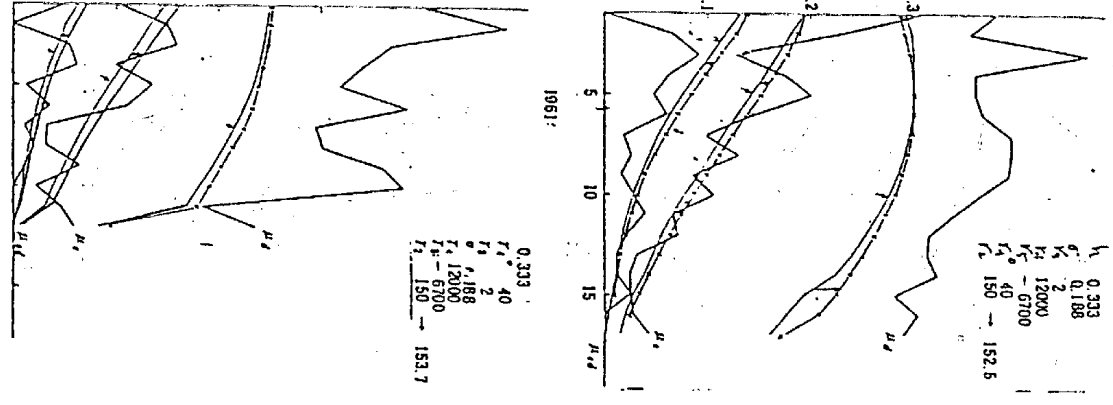
$\sigma$  0.188  
 $T_1$  150 -- 1612  
 $T_2$  2  
 $T_3$  12000  
 $T_4$  -6700  
 $T_5$  40



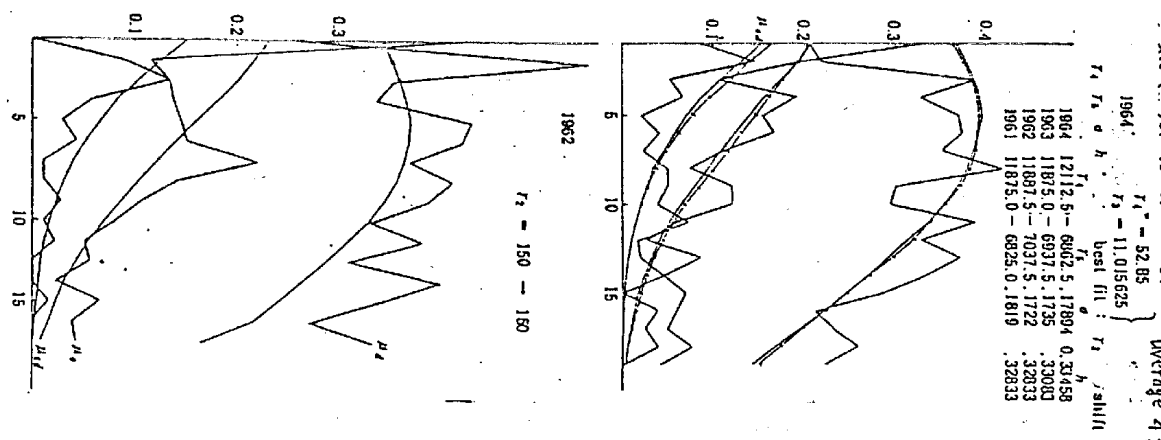
Experimental number  
11 ( 81-12-09 0 )



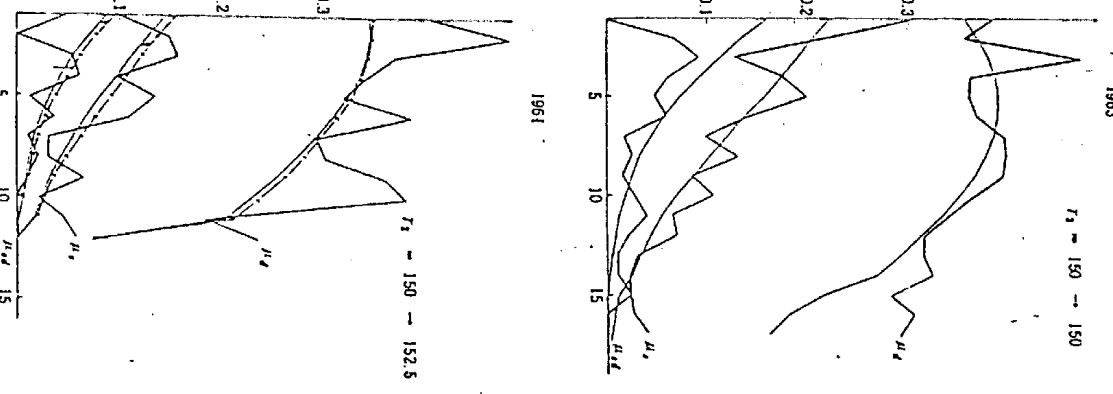
1963



Experimental number  
13 ( 81-12-09 case 2 )

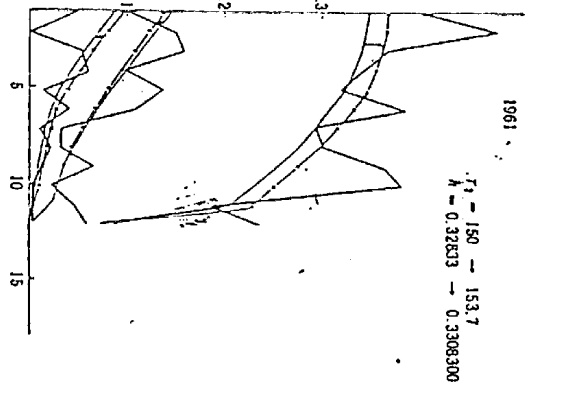
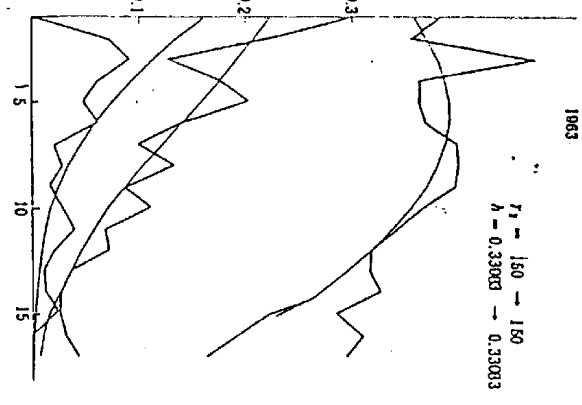
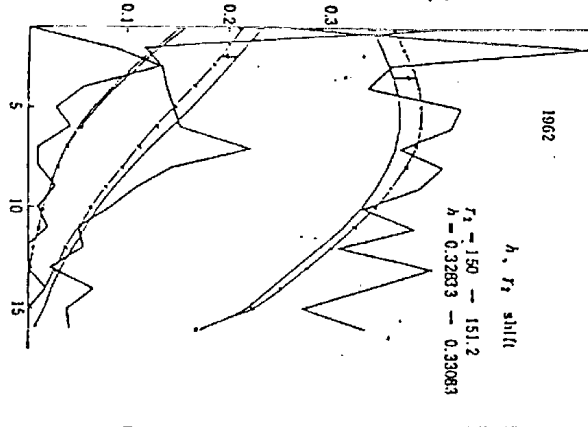
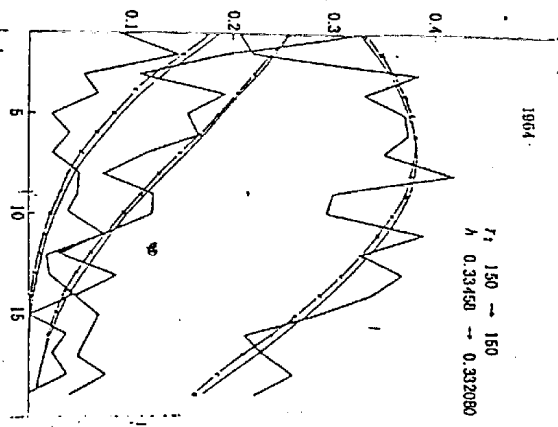


1963

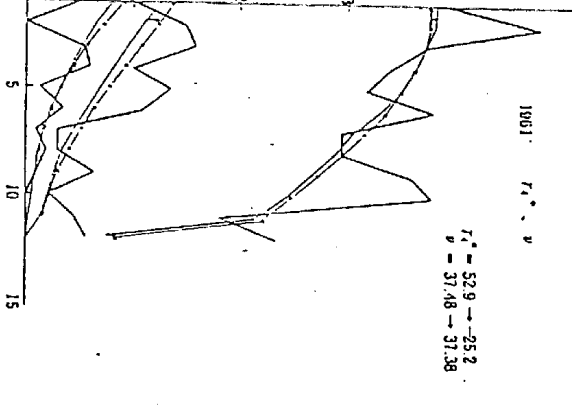
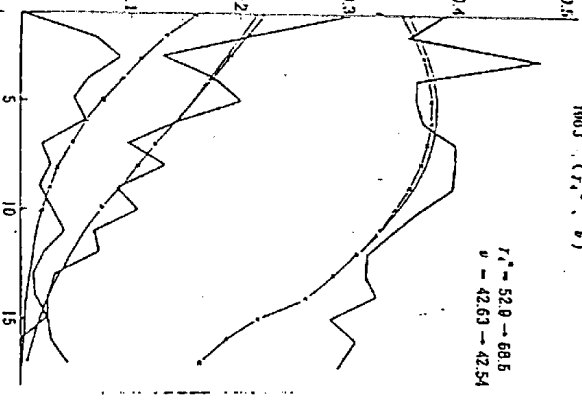
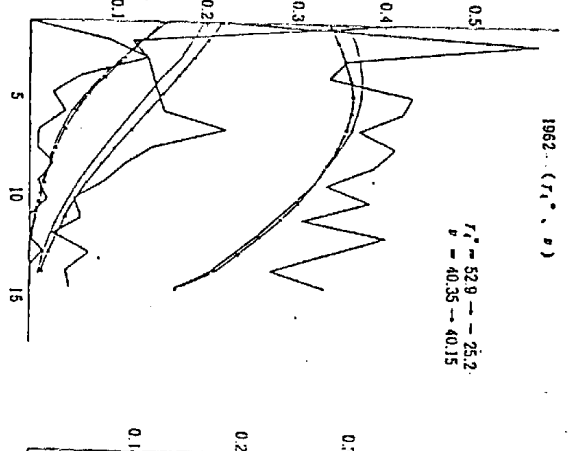
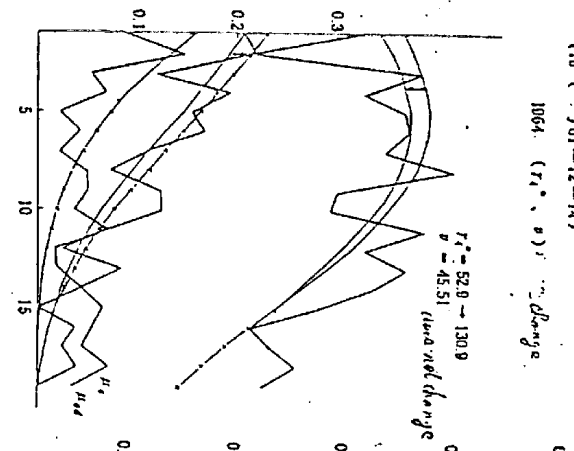




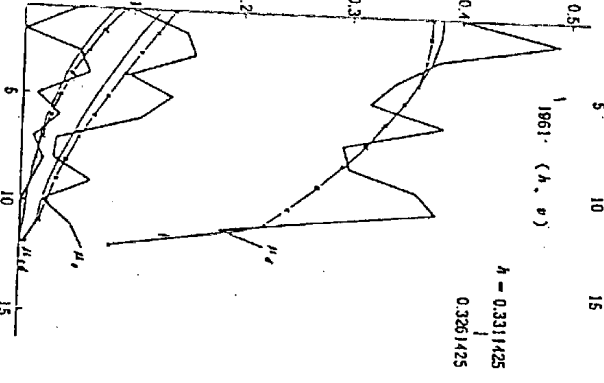
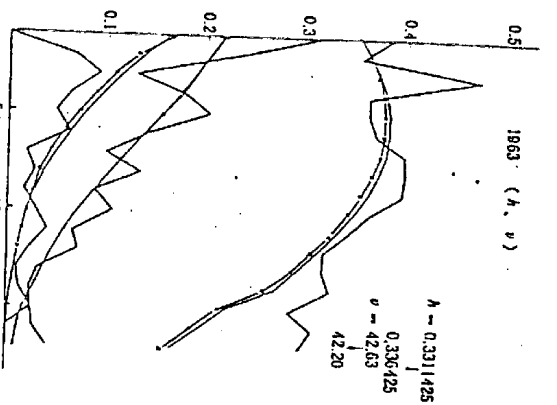
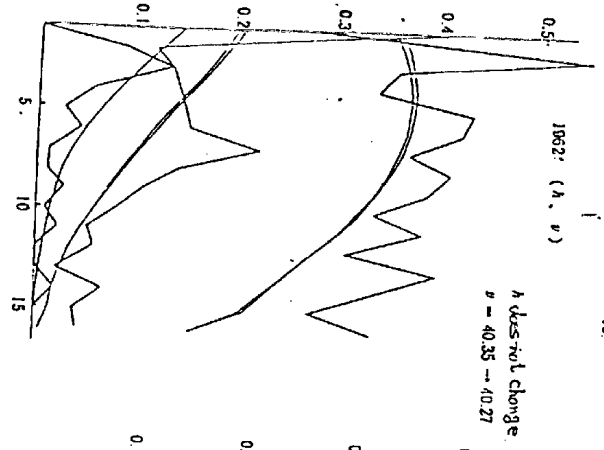
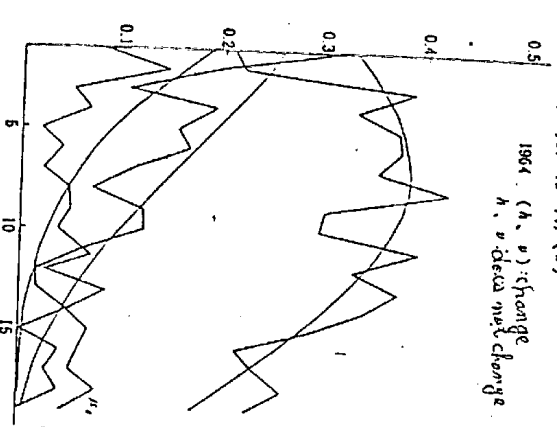
cyclonic  
14 ( 01-12-60 ) 3 )



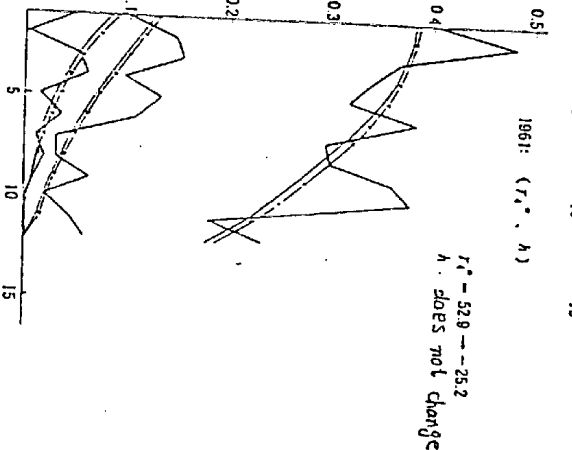
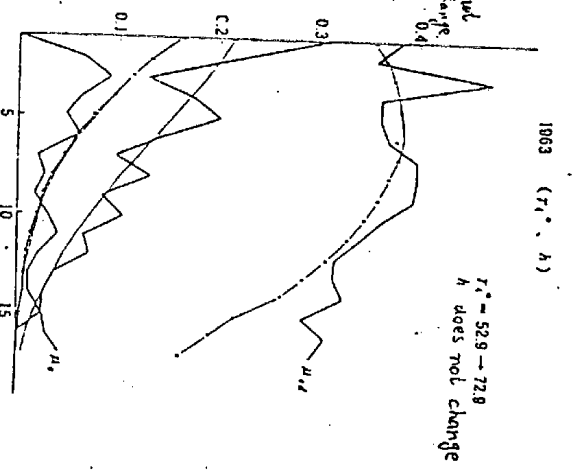
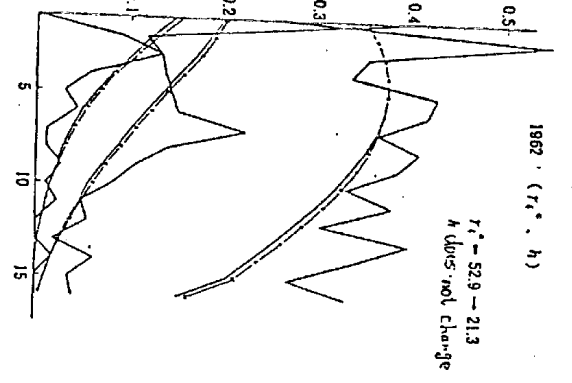
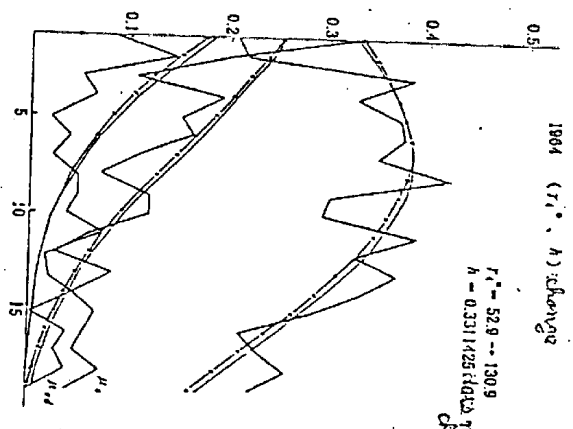
cyclonic  
15 ( 01-12-14 )



Experimental number 16 (101-12-14) (a)



Experimental number 16 (81-12-14) (b)

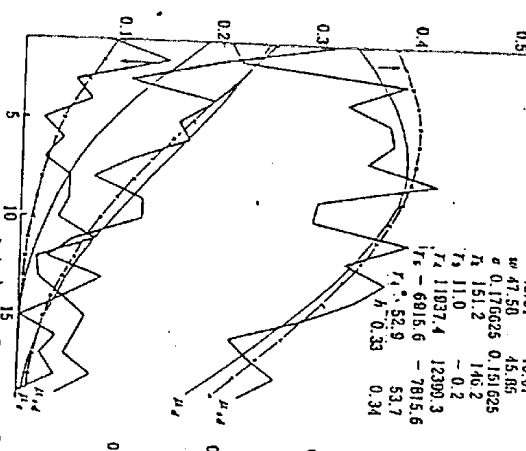


16 ( \* 381 - 1 - 14 )

1964

Initial Convergence  
Values Values

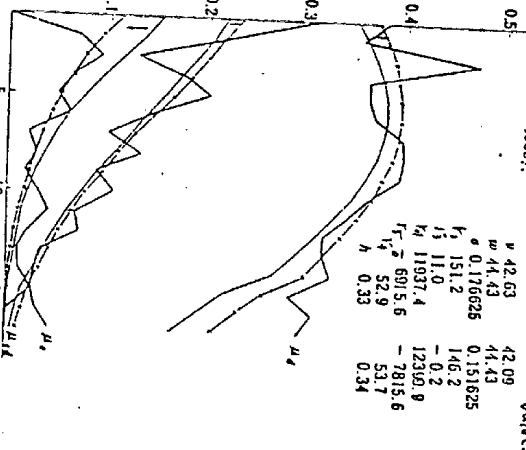
$\mu$  45.51 43.07  
 $w$  47.50 45.05  
 $\sigma$  0.176625 0.151625  
 $r_1$  151.2 146.2  
 $r_2$  11.0 -0.2  
 $r_3$  11937.4 12390.3  
 $r_4$  -6915.6 -7815.6  
 $r_5$  52.9 53.7  
 $h$  0.33 0.34



1963

Initial Convergence  
Values Values

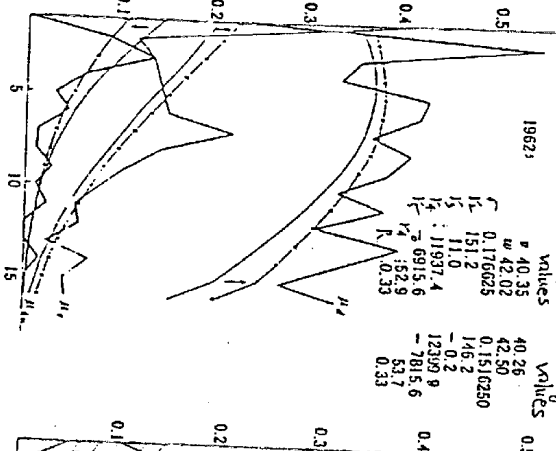
$\mu$  42.63 42.09  
 $w$  44.43 44.43  
 $\sigma$  0.176625 0.151625  
 $r_1$  151.2 146.2  
 $r_2$  11.0 -0.2  
 $r_3$  11937.4 12390.9  
 $r_4$  -6915.6 -7815.6  
 $r_5$  52.9 53.7  
 $h$  0.33 0.34



1962

Initial Convergence  
Values Values

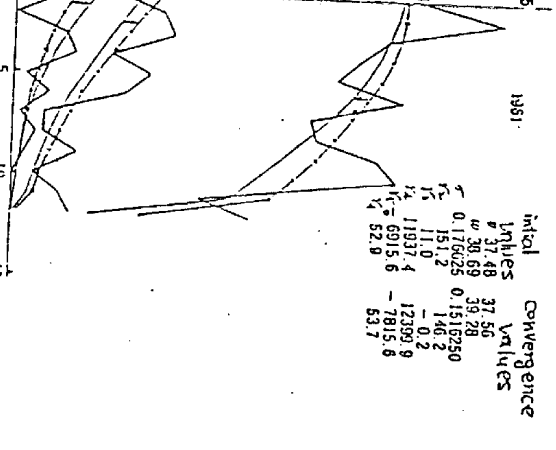
$\mu$  40.35 40.26  
 $w$  42.02 42.50  
 $\sigma$  0.176625 0.151625  
 $r_1$  151.2 146.2  
 $r_2$  11.0 -0.2  
 $r_3$  11937.4 12390.9  
 $r_4$  -6915.6 -7815.6  
 $r_5$  52.9 53.7  
 $h$  0.33 0.33



1961

Initial Convergence  
Values Values

$\mu$  37.48 37.56  
 $w$  30.69 39.28  
 $\sigma$  0.176625 0.151625  
 $r_1$  151.2 146.2  
 $r_2$  11.0 -0.2  
 $r_3$  11937.4 12390.9  
 $r_4$  -6915.6 -7815.6  
 $r_5$  52.9 53.7  
 $h$  0.33 0.34



Numerical values for parameters which are held constant for the estimation of  $\gamma_{ij}$  are shown in table (A) in experiment 4. Estimates obtained for  $\gamma_{ij}$  are indicated with an arrow. The estimates for the four years strikingly resemble each other, but on the other hand, the fitting of theoretical value to the observed value of  $\mu^e$ ,  $\mu^d$  and  $\mu^{ed}$  is not good. Hence, there remain considerable discrepancies between observed and estimated values as shown in Fig( ) and it is therefore necessary to change the numerical values attached to the preference parameters,  $\gamma_2$ ,  $\gamma_3$ ,  $\gamma_5$ ,  $\sigma$  and  $\gamma_{ij}^0$  among those parameters we first reestimate  $\sigma$  and  $\gamma_{ij}^0$ .

Experiment 5.

the initial values for  $w$ ,  $v$  and  $h$

	1964	1963	1962	1961
$w$	47.40	44.10	41.70	38.40
$v$	45.51	42.63	40.35	37.48

$h = 1/3$

	$\sigma$	$\gamma_2$	$\gamma_3$	$\gamma_4$	$\gamma_5$	$\gamma_{ij}^0$	$\phi$
1964	0.188 → 0.188	150	2	12112.5	- 6700	40 → 70.7	431.05
1963	0.188 → 0.188	150	2	11875.5	- 6700	40 → 71.4	↓
1962	0.188 → 0.188	150	2	11887.5	- 6700	40 → 35.7	↓
1961	0.188 → 0.188	150	2	11875	- 6700	40 → 33.6	429.66

In this experiment  $\gamma_2$  and  $\gamma_3$  are allowed to vary simultaneously. For the value of  $\gamma_4$ , we employ the better one obtained in experiment 4.

Estimates for  $\sigma$  and  $\gamma_{ij}^0$  are shown, together with values for the parameters which are held constant, in table ( ).  $\sigma$  and  $\gamma_{ij}^0$  are allowed to vary among the years 1961 through 1964. Results show that estimates for  $\sigma$  are almost same as the initial values, but that estimates for  $\gamma_{ij}^0$  in 1961 and 1962 and in 1963 and 1964 respectively resemble each other. In terms of fitting, it is not clear there has been any significant improvement.

Experiment 6.

	64	63	62	61	
$r_s$	- 6700	- 6700	- 6700	- 6700	
$r_c$	12112.5	11875.0	11887.5	11875.0	$\emptyset$
$r_i^0$	70.7	71.4	35.7	33.6	429.66
$r_s$	2.0	2.0	2.0	2.0	↓
$w$	47.4	44.1	41.7	38.4	389.80
$v$	45.51	42.63	40.35	37.48	
$\sigma$	0.188	0.188	0.188	0.188	
	↓ 0.1789375	↓ 0.17346875	↓ 0.17221875	↓ 0.18190625	

One point to be noticed among the results of experiment 5 is the apparent constancy of the estimates of  $\sigma$  over time, that is, they are the same for three decimals. However, the estimates (or convergence values) seem to be affected by the numerical values for the other parameters which are held constant for estimation. In order to check this point, we tentatively replace the initial values for  $\gamma_4^0$  used in experiment 5 by the ones estimated in experiment ( 5 ).

We allow  $\sigma$  only to vary and let the other parameters be given as shown in the table. Estimated values for  $\sigma$  are stable over time, that is, the estimates closely resemble each other and differences between initial and convergence values are small for each year. This is a favorable result that may ensure the stability of the preference parameters over time.

However, on the other hand, the fitting of theoretical values to observed values is not so easily improved, as shown in Fig ( ). In particular, there was systematic underestimation for the three years, 1961 through 1963.

Experiment 7.

	1964	63	62	61
$r_2$	150	(左と同じ)		
$r_3$	2			
$r_4$	11875.0	← <del>11875.0</del>		
$r_5$	-6700 ↓ -6862.5	-6700 ↓ -6937.5	-6700 ↓ -7037.5	-6700 ↓ -6825.0
$r_5^0$	70.7	71.4	35.7	33.6
$\sigma$	0.17893750	0.17346875	0.17221875	0.18190625
$v$	45.51	42.63	40.35	37.48
$w$	47.40	44.10	41.70	38.40

In the previous experiments, 1 through 6, we did not allow  $\gamma_5$  to vary. Here,  $\gamma_5$  is allowed to vary in order to improve the fitting for 1961 through 1963. In this experiment, we do not use the a priori information that  $\gamma_5$  should be of the same value during the four years, 1961 through 1964, because we want to test the stability of estimated values for  $\gamma_5$  among the years.

	1961	62	63	64
$\gamma_5$	-6700 ↓ -6825.0	-6700 ↓ -7037.5	-6700 ↓ -6937.5	-6700 ↓ -6862.5

$r_2$	$r_3$	$r_4$	$r_4^0$	$\sigma$
150	2	1187.50	(33.6, 35.7, 71.4, 70.7)	(0.1819, 0.1722, 0.1735, 0.1789)
			$v$ (37.48, 40.35, 42.63, 45.51)	
			$w$ (38.40, 41.70, 44.10, 47.40)	

- 1961 estimates for  $\mu^d$  and  $\hat{\mu}^d$ , approach the observed values, while  $\hat{\mu}^{ed}$ 's exceed the those values.  $\hat{\mu}^d$  approaches the observed values but not sufficiently.
- 1962  $\hat{\mu}^e$  and  $\hat{\mu}^d$  sufficiently approach the observed values, but  $\mu^{ed}$ 's come off the observables.
- 1963 the same tendency as 1962. -
- 1964 the same as 1962.

It can be seen that the estimates for  $\gamma_5$  for each year are stable during the estimating period. This is a favorable result for the postulate that preference parameters are stable inter years.

Experiment 8.

	64	63	62	61	
$\sigma$	0.1789375	0.1735	0.17221875	0.18190625	
$r_2$	150	150	150	150	$\emptyset$
$r_3$	2 → 1.9	2 → 7.3	2 → 13.2	2 → 10.2	313.033
$r_4$	12112.5	11875.0	11887.5	11875.0	↓
$r_5$	-6862.5	-6937.5	-7037.5	-6825.0	284.946
$r_4^0$	70.7	71.4	35.7	33.6	

We have not allowed  $\gamma_3$  to vary in the previous experiment. In the same manner as for  $\gamma_5$  in experiment 7, we allow  $\gamma_3$  to vary in this experiment.  $\gamma_5$  is fixed at the values obtained in experiment 7, and the values for other parameters, except for  $\gamma_3$ , are given as in experiment 7.

	1961	62	63	64
$\gamma_3$	10.2	13.2	7.3	1.9

As shown in Fig ( ), the effect of changing the value of  $\gamma_3$  is remarkable. Considerable improvement in fitting is observed, for the first time, for years 1961 through 1963.

Experiment 9.

	64	63	62	61	
$\sigma$	0.1789375	0.1735	0.17221875	0.18190625	
$r_2$	150	150	150	150	
$r_3$	2	2	2	2	$\emptyset$
$r_4$	12112.5	11875.0	11887.5	11875.0	313.0334
$r_5$	-6862.5	-6937.5	-7037.5	-6825.0	↓
$r_4^u$	70.7	71.4	35.7	33.6	310.8691
$h$	0.333	0.333	0.333	0.333	
	↓	↓	↓	↓	
	0.33458	0.332	0.332	0.332	

In this experiment, parameter  $\bar{h}$  only is allowed to vary. Other parameters are fixed at the values for experiment 7.

1961	62	63	64
0.332*	0.332	0.332	0.335

(\* initial values are all 0.333)

The estimates of  $\bar{h}$  for four years are stable over time. However, no remarkable improvement can be seen in the fitting of the curves.



Experiment 10.

	64	63	62	61	
$r_3$	2→0.6875	2→9.6875	2→17.3125	2→16.375	$\phi$
$h$	0.333→0.33458	0.333→0.33083	0.333→0.32833	0.333→0.32833	313.0334
$r_4$	12112.5	11875.0	11887.5	11875.0	↓
$r_5$	-6862.5	-6937.5	-7037.5	-6825.0	267.657
$r_6$	70.7	71.4	35.7	33.6	
$\sigma$	0.17894	0.1735	0.1722	0.1819	

Taking into account the results obtained in experiment 8 and 9, we allow  $\gamma_3$  and  $\bar{h}$  to vary simultaneously.

Changes in the estimated values for  $\gamma_3$  from the initial values especially in 1963 and 64, and the estimated values fit the observed values somewhat better.

	1964	63	62	61
$\gamma_3$	0.6875	9.6876	17.3125	16.375
$\bar{h}$	0.3346	0.3308	0.3283	0.3283

Experiment 11.

We have not yet allowed  $\gamma_2$  to vary. In this experiment,  $\gamma_2$  only is varied, other parameters being fixed at the initial values given in experiment 1. Estimated values for  $\gamma_2$  in years 1961 through 1964 are as follows:

	1961	62	63	64
	153.7	153.7	152.7	147.5

Overtime, the estimates are fairly stable. The results of fitting are fairly good for the 1964 data but underestimates were obtained for the other years.

Experiment 12.

	1964	1963	1962	1961	$\phi$
$r_2$	150 → 148.7	150 → 153.7	150 → 158.7	150 → 161.2	543.298
$h$	0.333 → 0.33833	0.333 → 0.33833	0.333 → 0.3458333	0.333 → 0.3470833	↓ 407.7284

We allow  $\gamma_2$  and  $\bar{h}$  to vary simultaneously in this experiment. The values for  $\gamma_4^0$ ,  $\gamma_3$ ,  $\bar{h}$ ,  $\gamma_4$ ,  $\gamma_5$  and  $\sigma$  are fixed at those values used in experiment 11. The results are listed in the table below.

	1961	62	63	64
$\gamma_2$	161.2	158.7	153.7	148.7
$h$	0.3471	0.3458	0.3383	0.3383

Little difference is found between the values for  $\gamma_2$  estimated in this experiment and those in experiment 11. The values for  $\gamma_2$ 's and  $h$ 's are respectively fairly similar among the years. The  $\mu^d$ 's for the years 1961 and 1963 are still underestimated and also are underestimated for the upper principal earners' income classes in the year 1962. The fitting of the  $\mu_e$ 's are somewhat improved for 1964.

Experiment 13.

As is shown in experiment 5, discrete changes in the estimates for  $\gamma_4^0$  are observed as time passed; that is, those estimates for 1963 and 1964 are larger than those for 1961 and 1962. In successive experiments, we fixed  $\gamma_4^0$ 's at those values obtained in experiments. Also we have found that estimated values for other preference parameters,  $\gamma_2$ ,  $\gamma_4$  and so on, are fairly stable over time, with the exception of  $\gamma_3$ . Therefore, it is reasonable to hypothesize that all the preference parameters,

$\gamma_2$  ( $\equiv -1$ ),  $\gamma_3$ ,  $\gamma_4$ ,  $\gamma_5$ ,  $\gamma_4^0$  and  $\sigma$ , are respectively constant over the years 1961 to 1964. That is, significant differences in the estimates for  $\gamma_4^0$  and  $\sigma$ , respectively, might stem from the inadequacy of the values for other preference parameters used in experiment 5 and 8. (The significant differences in estimates among years appeared in experiments 5 and 8).

Hence, calculating mean values of the estimates for  $\gamma_4^0$  and  $\sigma$ , respectively for the time period 1961 through 1964, we obtain  $\gamma_4^0 = 52.85$  and  $\gamma_3 = 11.0156$ .

Making use of those values for  $\gamma_3$  and  $\gamma_4$  and those values for other preference parameters given in experiment 9, we allow  $\gamma_2$  only to vary. By doing so we obtain estimates for  $\gamma_2$  as follows.

1961	62	63	64
152.5	150.0	150.0	151.2

It should be noted that differences in yearly estimates of  $\gamma_2$  are less than those obtained in experiment 12 where we did not use mean values for  $\gamma_4^0$  and  $\gamma_3$ . Also the magnitude of the objective function in this experiment is smaller than that obtained in experiment 12.

Thus, it may be concluded that the results of this experiment tend to verify the above hypothesis.

Experiment 14.

	1964	1963	1962	1961	
$r_2$	150.0	150.0	151.2	153.7	151.225
$h$	0.33208	0.33083	0.33083	0.33083	0.3311425
$r_4$	12112.5	11875.0	11887.5	11875.0	11937.375
$r_5$	-6862.5	-6937.5	-7037.5	-6825.0	-6915.625
$\sigma$	0.17894	0.1735	0.1722	0.1819	0.176625
$r_4^0$	52.85	52.85	52.85	52.85	(52.85)
$r_3$	11.015625	11.015625	11.015625	11.015625	(11.015625)
$v$	45.51	42.63	40.35	37.48	
$w$	47.4	44.1	41.7	38.4	

The stability of the estimates for  $\gamma_2$  over time is by this experiment which allows  $\gamma_2$  and  $\bar{h}$  to vary simultaneously. The results are shown in the following table.

	1961	62	63	64
$\gamma_2$	153.7	151.2	150.0	150.0
$h$	0.3308	0.3308	0.3308	0.3321

Although slight successive reduction on the estimates for  $\gamma_2$  are observed during the four years, the estimates are fairly stable and those for  $\bar{h}$  are extremely stable. The magnitude of the objective function in this experiment is also reduced in comparison to that value calculated with the initial values of preference parameters.

#### Experiment 15.

Taking into account the results of experiments 13 and 14, that estimated values for the parameters are stable over time, the values for preference parameters,  $\gamma_4$ ,  $\gamma_5$ ,  $\sigma$ ,  $\gamma_3$  and  $\gamma_2$ , are respectively fixed at mean values of estimates for the years, 1961 through 1964 in this experiment.

We allow two of the three parameters  $h$ ,  $v$  and  $\gamma_4^0$ , to vary simultaneously as is shown in the following table, (a) through (c).

a)  $h$  and  $v$  are varied.

	1964	63	62	61
$h$	0.3311	0.3364	0.3311	0.3261
$v$	45.51	42.20	40.27	37.97

These parameters are not preference parameters which are assumed to be constant, but rather are the assigned hours of work and the earning rate for selfemployed work which may vary over time.

b)  $\gamma_4^0$  and h are varied simultaneously. The estimates for  $\gamma_4^0$  have been observed to change over time since experiment 5. In this experiment, we examine if estimates for  $\gamma_4^0$  vary when using the set of parameters fixed at mean values. The results are:

	1964	63	62	61
$\gamma_4^0$	130.9	72.9	-21.3	-25.2
h	0.3311	0.3311	0.3311	0.3311

The variation in the estimates for  $\gamma_4^0$  reappears. However, the magnitude of the objective function is less favorable in comparison to the value obtained in experiment 14 where  $\gamma_4^0$  was held constant over time. Hence, it can be seen that allowing estimates for  $\gamma_4^0$  to vary has no merit in improving the fitting. That is, can obtain a better set of preference parameters by holding  $\gamma_4^0$  constant and choosing better values of the other parameters.

(c)  $\gamma_4^0$  and v are allowed to vary.

The estimation results are as follows.

	1961	62	63	64	$\phi$
$\gamma_4^0$	-25.2	-25.2	68.5	130.9	327.078
v	37.38	40.15	42.54	45.51	306.992

In this experiment variation in the estimates of  $\gamma_4^0$  reappears as in experiment (b). In this case, although the magnitude of  $\phi$  is a little smaller than that in (b), it is larger than  $\phi$  in experiment 13 or 14 where  $\gamma_4^0$  is held constant. Hence, it can be seen in this case also, that allowing  $\gamma_4^0$  to vary over time has no merit in improving the fitting of estimated to observed values.

Experiment 16.

	1964	1963	1962	1961
$v$	45.51 ↓ 43.07	42.63 ↓ 42.09	40.35 ↓ 40.26	37.48 ↓ 37.56
$w$	38.69 ↓ 39.28	42.02 ↓ 42.50	44.43 ↓ 44.43	38.69 ↓ 39.28
$\sigma$	0.176625 ↓ 0.151625	0.176625 ↓ 0.151625	0.176625 ↓ 0.151625	0.176625 ↓ 0.151625
$r_2$	151.2 ↓ 146.2	151.2 ↓ 146.2	151.2 ↓ 146.2	151.2 ↓ 146.2
$r_3$	11.0 ↓ -0.2	11.0 ↓ -0.2	11.0 ↓ -0.2	11.0 ↓ -0.2
$r_4$	11937.4 ↓ 12399.3	11937.4 ↓ 12399.9	11937.4 ↓ 12399.9	11937.4 ↓ 12399.9
$r_5$	-6915.6 ↓ -7815.6	-6915.6 ↓ -7815.6	-6915.6 ↓ -7815.6	-6915.6 ↓ -7815.6
$r_4^0$	52.9 ↓ 53.7	52.9 ↓ 53.7	52.9 ↓ 53.7	52.9 ↓ 53.7
$\bar{h}$	0.33 ↓ 0.34	0.33 ↓ 0.33	0.33 ↓ 0.34	0.33 ↓ 0.33

$\emptyset$   
 323.03041  
 ↓  
 211.33099

47.58  
 45.85

Taking into account the results obtained by the previous experiments, it may be argued that there is no strong evidence contradicting the assumption of the constancy of preference parameters over time. Therefore, if the parameters are, at least locally, identifiable we will obtain more favorable estimation results by making use of the priori information that preference parameters are constant over the years.

Hence, in this experiment we use as initial values for the parameters the average values for four years with respect to preference parameters;  $\gamma_2, \gamma_3, \gamma_4, \gamma_5, \gamma_4^0$  and  $\sigma$  which are listed in the table in experiment 15. Other parameters,  $w, v$  and  $\bar{h}$  are of course allowed to vary over time. Initial values for these are also listed in the table. Making use of these values as initial values for the parameters, we can estimate all

the parameters by allowing all of them to vary simultaneously. All the estimates for the preference parameters are restricted to be constant over time. The results are shown in <sup>the above</sup> table ( ).

The steepest ascent method was employed for estimation. The speed of convergence in the process of obtaining estimates was faster than that in experiment 15. It can be seen that we attained the best fitting results amongst all the estimates obtained in section VI. That is, the problem of systematic underestimation for  $\mu^d$  was resolved except for the lower income classes in 1964, and fittings for  $\mu^e$  and  $\mu^{ed}$  were improved.

Tab. VI-7-1  
1964

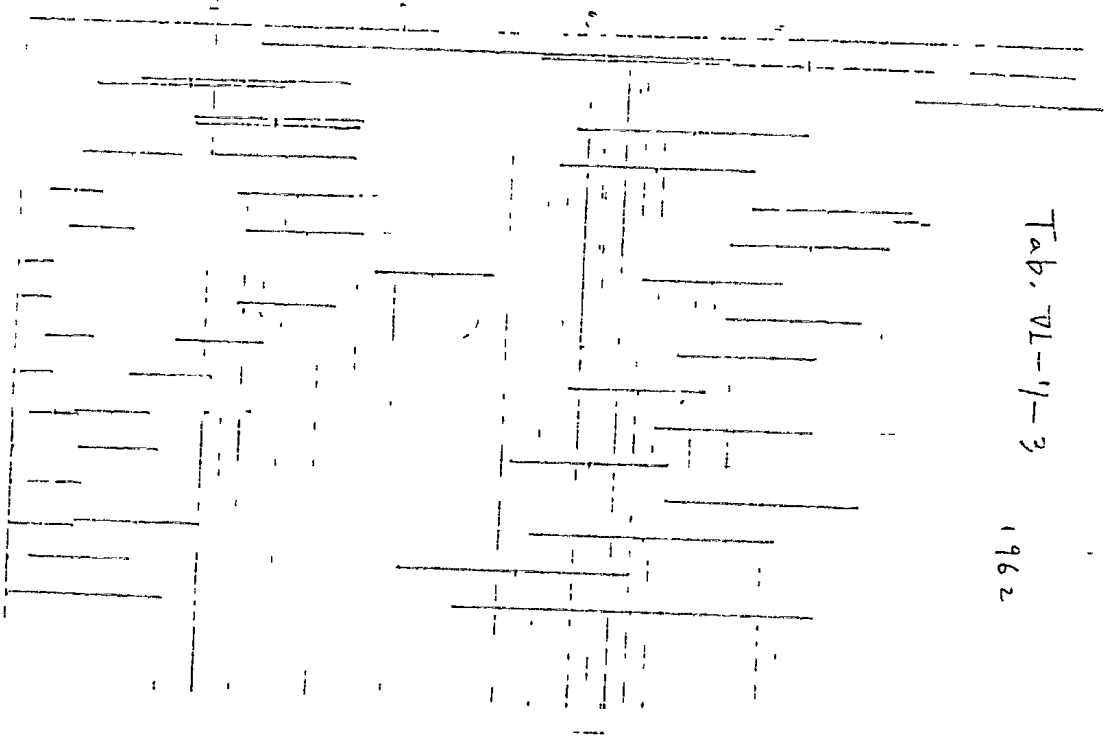
Tab. VI-7-2  
1963

The ~~purpose~~ ~~of~~ ~~the~~ ~~present~~ ~~investigation~~ ~~was~~ ~~to~~ ~~determine~~ ~~the~~ ~~effect~~ ~~of~~ ~~the~~ ~~standard~~ ~~deviation~~ ~~of~~ ~~the~~ ~~observed~~ ~~values~~ ~~of~~ ~~the~~ ~~variables~~ ~~in~~ ~~the~~ ~~present~~ ~~investigation~~ ~~on~~ ~~the~~ ~~results~~ ~~of~~ ~~the~~ ~~present~~ ~~investigation~~



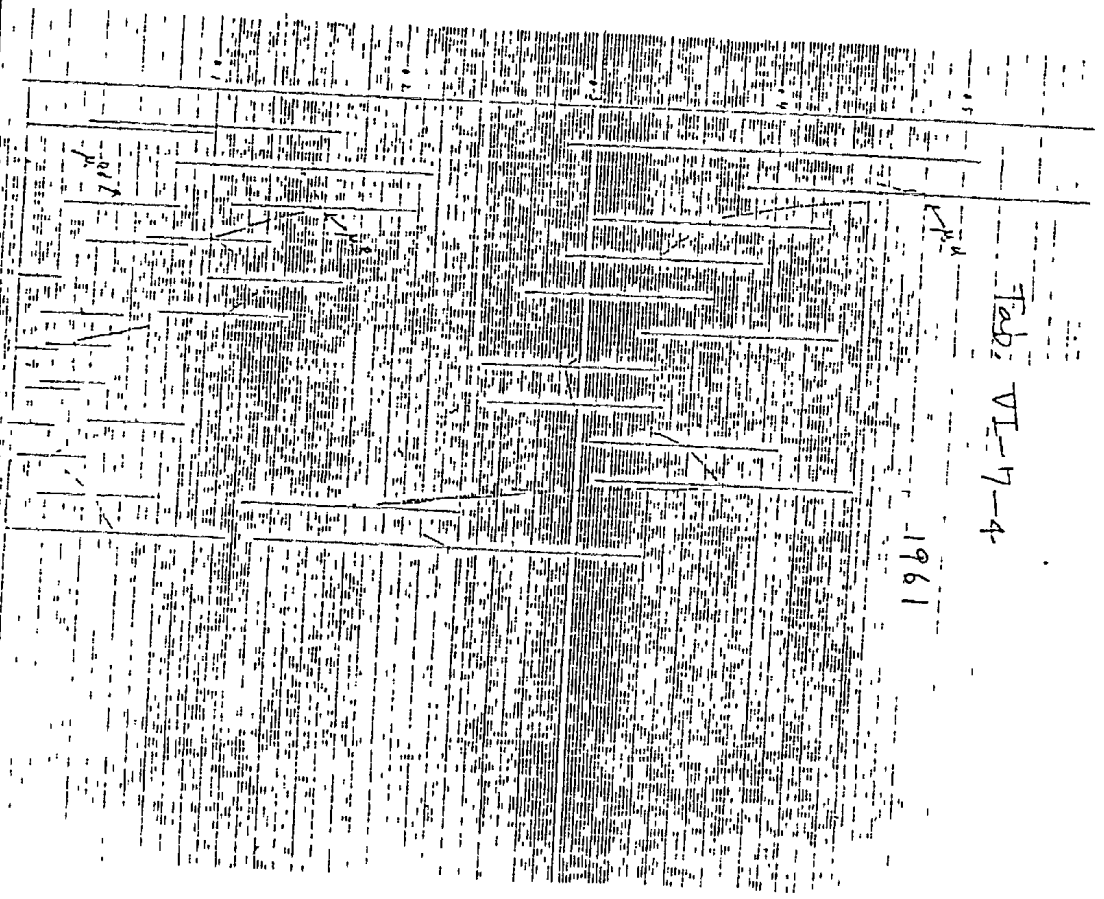
Tab. VI-1-3

1962



Tab. VI-1-4

1961



The region of cities and villages in the standard demarcation  
 of the region of cities and villages in the standard demarcation  
 of the region of cities and villages in the standard demarcation