`README.m` – Example 3: Priors on unobservable variables with uncertainty

This assumes you have successfully completed the exercise in the `example2` directory. We now add uncertainty to the prior on GROWTH_BAR we imposed in Example 2. The necessary changes are:

- `ModYUK.model` – Add a shock to the measurement equation for GROWTH_BAR_. If you open `ModYUK.model` you will see how I have done this.
- `readDefinitions.m` – Change the version, eg `VER3`.
- `estimateParams.m` – Set the value of the standard deviation of the measurement shock just added in accordance with your how much you want your prior to be weighted relative to the data: a smaller number means more weight to your prior and a larger number means more weight to the data in arriving at the final estimate of the unobservable variable under consideration. You may wish to add a detailed description of the exercise here. Open `estimateParams.m` to see how I have done that near the top.
- `printReport.m` – Change the version of the report to the one specified in `readDefinitions.m`.

Now you can run `readModel.m`, `readData.m`, `estimateParams.m` and `printReport.m`. You may compare how this changes some of the estimates of the unobservable variables by running `compareReports.m` with `oldversion` and `newversion` appropriately set.