

The topic of this bachelor thesis is the Generalized Method of Moments (GMM), its asymptotic properties, and its implementations. The first chapter briefly introduces the moment conditions and the Method of Moments (MM) which is then generalized to the GMM. In the second chapter, the consistency and the asymptotic normality of the GMM are proved and the optimal weighting matrix of the estimator is derived. The third chapter focuses on three implementations of the GMM: the Two-Step algorithm, the Iterated algorithm, and the Continuously updating procedure. In the fourth chapter, the accuracy of the MM and the GMM estimates is investigated and the GMM implementations are compared.