

How to write the beginning of each (sub)-section

1) The following are not correct:

3.2 Nonparametric rank tests

The nonparametric rank tests proposed by Breitung (2001) involve the rank test for cointegration and the score test for nonlinearity.

It should be

The following equation shows the unrestricted linear version of the PPP relationship:

$$\text{Linear Model I: } e_t = \beta_0 + \beta_1 p_t - \beta_2 p_t^* + u_t \quad (t = 1 \dots T), \quad (1)$$

where e_t is the natural logarithm of the spot exchange rate, expressed as units of foreign currency per unit of Chinese currency; that is, RMB, β_0 is a constant term, β_1 and β_2 are the coefficients, p_t and p_t^* refer to the natural logarithms of the foreign and Chinese price indices, respectively, T is sample size, and u_t is an equilibrium error representing the deviations from PPP. On the other hand, the restricted linear version of PPP can be re-specified by setting $\beta_2 = 1$ in Equation (1), and becomes the following equation (Cheung & Lai, 1993):

$$\text{Linear Model II: } e_t + p_t^* = \beta_0 + \beta_1 p_t + u_t, \quad (2)$$

where $e_t + p_t^*$ and p_t are two prices expressed in terms of a common (foreign) currency, which can be directly compared in the PPP equation.

The limitation of the above two linear PPP models is that there will be misspecification when there are sources of nonlinearities in the data, which may also appear in unknown forms. To overcome the limitation, we consider the general forms of nonlinear versions of the above equations as shown in the following:

$$\text{Nonlinear Model II: } g(e_t + p_t^*) = f(p_t) + u_t; \quad (3)$$

$$\text{Nonlinear Model I: } g(e_t) = f_1(p_t) + f_2(p_t^*) + u_t,$$

for paper, some (sub)section only contains a figure or a table with a very simple description.
The authors should discuss more for the table or figure in the (sub)section.
