

$$Y_i \approx \alpha + \beta_1 (X_{i1} + (\gamma_1 - 1) X_{i1} \log X_{i1}) + \dots + \beta_K (X_{iK} + (\gamma_K - 1) X_{iK} \log X_{iK}) + \epsilon_i$$

(II)

$$Y_i \approx \alpha + \beta_1 X_{i1} + \dots + \beta_K X_{iK}$$

$$+ \underbrace{\beta_1 (\gamma_1 - 1) X_{i1} \log X_{i1}}_{D_1} + \dots + \underbrace{\beta_K (\gamma_K - 1) X_{iK} \log X_{iK}}_{D_K} + \epsilon_i$$

$$D_1 \approx \beta_1 (\gamma_1 - 1) \approx \beta_1 (\gamma_1 - 1) \quad \gamma_1 \approx 1 + \frac{D_1}{\beta_1}$$