

```

49 model(linear);
50
51 //*****
52 // Definition of Modelbase Variables in Terms of Original Model Variables //
53
54 interest = i*4; //
55 inflation = (1/4)*(4*pi+4*pi(-1)+4*pi(-2)+4*pi(-3)); //
56 inflationq = pi*4; //
57 outputgap = x; //
58 output = y; //
59 fispol = g_; //
60 //*****
61
62 //*****
63 // Policy Rule //
64 // //
65 // Monetary Policy //
66 // //
67 interest = cofintintb1*interest(-1) //
68           + cofintintb2*interest(-2) //
69           ... //
70           + cofintoutpf4*output(+4) //
71           + std_r_*interest_; //
72 // //
73 // Discretionary Government Spending //
74 // //
75 fispol = coffispol*fiscal_; //
76 //*****
77
78 // Original Model Code:
79
80 pi = beta * pi(+1) + kappa*x + u;
81 u=rhou*u(-1)+u_;
82 x = x(+1) - sigma*(i - pi(+1) - rnat);
83 rnat = sigma^(-1)*((g-ynat)-(g(+1)-ynat(+1)));
84 ynat = sigma^(-1)*g/(sigma^(-1)+omega);
85 x = y-ynat;
86 g = rhog*g(-1) + g_;
87 // i=phi*pi + phi*x;
88 end;
89
90 shocks;
91 var fiscal_ = 1.524^2;
92 var u_ = 0.154^2;
93 end;
94
95 //stoch_simul (irf = 0, ar=100, noprint);

```