README

Project ID: openicpsr-118645

Interactions and Coordination between Monetary and Macro-Prudential Policies

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This folder contains two files (in addition to this one) and three subfolders.

%% Files %%

NumericalSolutionMethod.pdf explains the numerical method I use to solve the model.
Instructions.pdf details the procedure for running the codes in the subfolders.
I strongly recommend reading at least Instructions.pdf before opening the subfolders.

%% Subfolders %%

FlexiblePriceEconomy contains the codes that solve the economies with flexible prices and with or without macro-prudential policy intervention. The subfolder also contains the codes that generate Figures 1-4 in the paper and derive the numerical results in Subsection III.A.

StickyPriceEconomy contains the codes that solve the economies with sticky prices and with or without macro-prudential policy intervention. The subfolder also contains the codes that generate Figures 5-6 in the paper and derive the numerical results in Subsection III.B and Subsection III.C.

OnlineAppendix contains the codes that generate Figure 1 in the Online Appendix.

%% Requirements for Running the Codes %%

I run the codes in Matlab R2017a. I use a computer with a 2.60 GHz processor and 20 GM RAM. The codes in subfolder FlexiblePriceEconomy need in total 94 seconds to generate the figures and the numerical results. The codes in subfolder StickyPriceEconomy need 374 seconds. And the codes in the last subfolder need 3 seconds.