

$$C + I^c = y^c = P F^c$$

LOM

Unknowns are h_1 and h_1/h_2

$$(1) \quad \frac{1}{h_1} \frac{w}{\pi} + (k_{1c} + k_{2c} \frac{h_2}{h_1}) [g] = \Gamma_c k_c^a k_I^b$$

$$\text{LOM} = I^F = y^F = P F^F$$

$$(2) \quad (k_{F1} \frac{h_1}{h_2} + k_{2F}) [g_i] = \Gamma_i k_c^a k_I^b$$

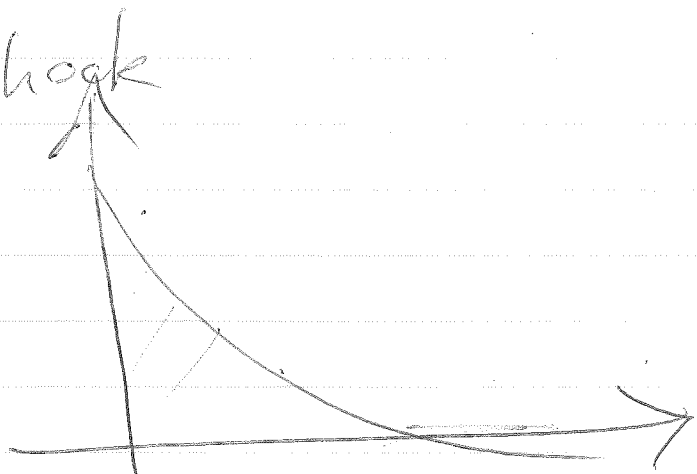
$$\cancel{k_{F1}} k_{F1} \frac{h_1}{h_2} [g_i] = \Gamma_i k_c^a k_I^b - k_{2F} [g_i]$$

$$\frac{h_1}{h_2} = \left[\Gamma_i k_c^a k_I^b - k_{2F} [g_i] \right] \frac{1}{k_{F1} [g_i]}$$

$$\frac{1}{h_1} \frac{w}{\pi} = \Gamma_c k_c^a k_I^b - (k_{1c} + k_{2c} \frac{h_2}{h_1}) [g]$$

$$h_1 = \frac{w}{\pi} \left[\Gamma_c k_c^a k_I^b - (k_{1c} + k_{2c} \frac{h_2}{h_1}) [g] \right]^{-1}$$

Shock



TFP

