Important Thoughts

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Comments during and after the Presentation

- Re-adjust the law of motion for cash. It must be right! You forget on interest payments or net debt position.

- Since my problem is going to be linear then you can think about presenting shocks to be linear as well...

- Do not use same $g(\cdot)$ for slide 2 and the model.

- Third derivative condition is not so obvious. Provide a fast intuition!

- Ryan is pushing to do a FAVAR to be more elastic in the exercise. You need to ask to Peter!

- How to link reduced-form residual to the identification problem? Improve that part!

- Key question. Is it necessary to have δ to be the same in both? Answer seems to be YES! Need to understand why...

- You need to show the uniqueness of δ.

- How should I interpret δ in a theoretical setting?