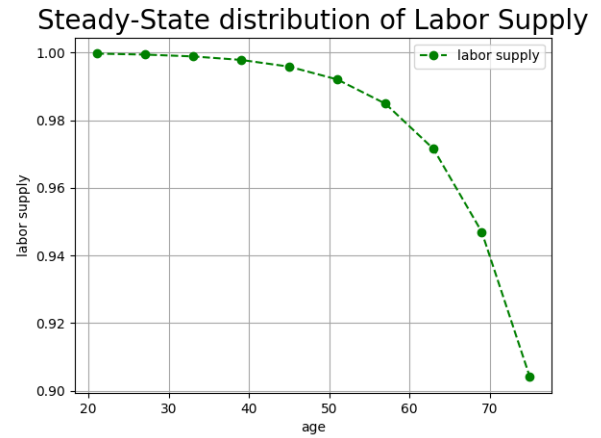
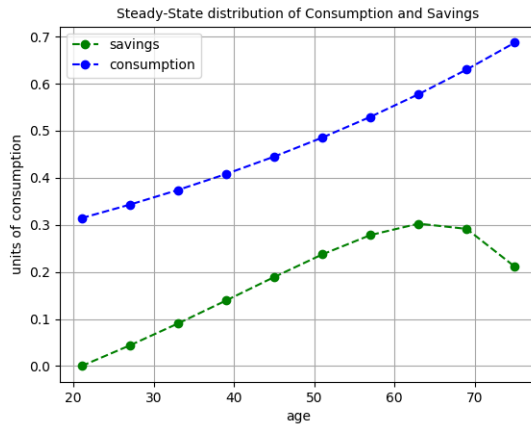


Problem Set 5

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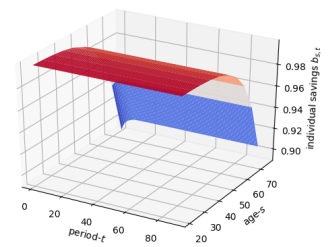
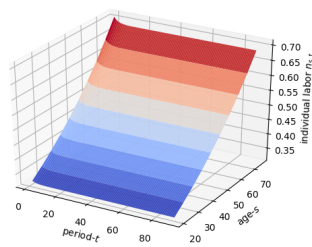
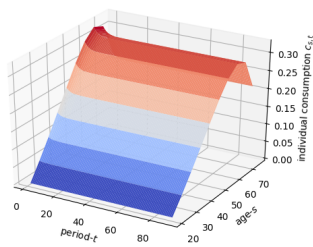
Problem 7.3 (a)



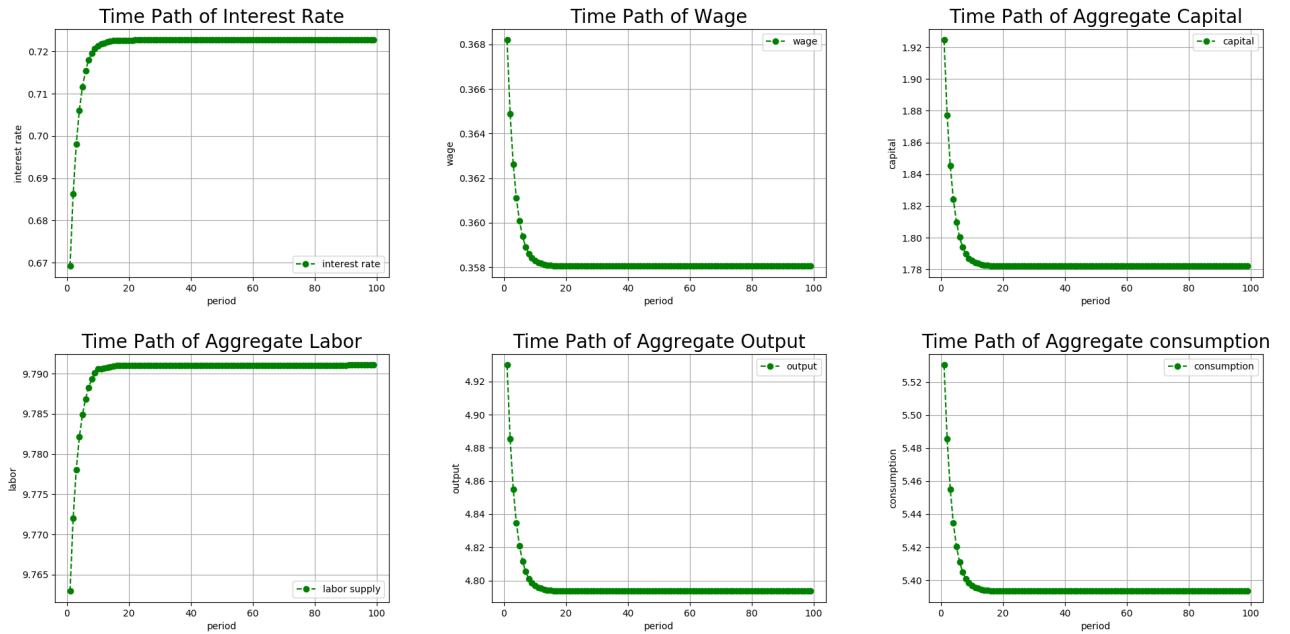
Problem 7.3 (b)

\bar{r}	0.72
\bar{w}	0.36
\bar{K}	1.78
\bar{L}	9.79
\bar{Y}	5.39
\bar{C}	4.79
Savings Euler Error	$3.1e^{-5}$
Labor Euler Error	$5.95e^{-14}$
Last period saving	$7.6e^{-5}$
Resource Constraint Error	$-1.13e^{-9}$

Problem 2(a)



Problem 2(b)



Problem 2(c)

Savings Euler Error	0.55
Labor Euler Error	$8.43e^{-6}$
Last period saving	0.23
Resource Constraint Error	$2.67e^{-5}$

Problem 2(d)

T is 20 for the economy to get 0.0001 within \bar{K} .