

ASSIGNMENT III: YOUR MODEL

Vision: This project teaches you to construct a heterogeneous agent model and use it to analyze an economic question.

- **Tasks:** Your answer must contain

1. A self-contained verbal and mathematical description of a heterogeneous agent model of your choice.
2. A detailed step-by-step description of how you would use the model to answer an economic question of your choice.

The model can be an extension of a model you have seen in the course (e.g. in an assignment) or elsewhere.

The good answer provides a clear exposition of the model and the proposed analysis as well as a creative application of the tools learned in the course.

- **Hand-in:** Upload a single pdf-file on Absalon (and nothing else). Maximum of 5 pages.
- **Deadline (hand-in):** 10th of December 2025
- **Deadline (peer feedback):** 14th of December 2025
- **Exam:** Your Assignment III will be a part of your exam portfolio.
You can incorporate feedback before handing in the final version.

Note: Peer-feedback is a mandatory part of the assignment.