To Whom It May Concern,

I will give you some clues how to reproduce results from my paper by applying the attached files. This exercise might be useful for you when you deal with your own DSGE model and IRFs, including their decomposition.

1. It is supposed that you are familiar with QUEST III and Smets-Wouters models. In any case you can downloads their MATLAB codes from the internet sites reported in footnotes 3 and 4 in my paper. Then, the models should be solved by using Dynare. To assist you I attach to this e-mail their solution files: “QUEST\_III\_results.mmm” and “SW\_NOFA\_results.mmm”.
2. Important: the extensions of these files should be renamed from .mmm to .mat. I have used extension .mmm in order to cheat OUTLOOK, which blocks files with extension .mat.
3. Put the above files in the same directory with the attached files “irf.decomposition.m” and “RUN\_irf\_decomposition.m”.
4. Then, run the file “RUN\_irf\_decomposition.m”. This file loads solution files of both models and calls the irf\_decomposition function. It gives you examples how to reproduce Fig.1 (relating to QUEST III model) and Fig.3b (relating to Smets-Wouters model). By changing inputs to the irf\_decomposition function you should be able to reproduce any other figures.
5. Be aware that the order of appearance of the state variables’ contributions may not be the same in figures you get and those from the paper. The function irf\_decomposition produces also an excel file with data obtained from the IRF decomposition. I have used those data to make figures in the paper by EViews software, since these graphs are superior to MATLAB graphs. Doing that, I have slightly change the order of appearance of state variables.
6. The contribution of the paper is focused on the function irf\_decomposition. If you have your own model, solve it first with Dynare, and then run the file “RUN\_irf\_decomposition.m”. Of course, that file should be prepared according to instructions provided in the part 7 of my paper.
7. I work with Dynare version 4.4.3. and MATLAB version R2014a.