Menu Cost Models

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Contents

Chapter A

Golosov and Lucas Jr (2007) with aggregate volatility

A.1 Results

A.1.1 Impulse Resonse Function

On doubling the menu cost from 0.045 to 0.09 the variance of output increase by 3.038 times. Output IRF on impact is 98.5 percent.

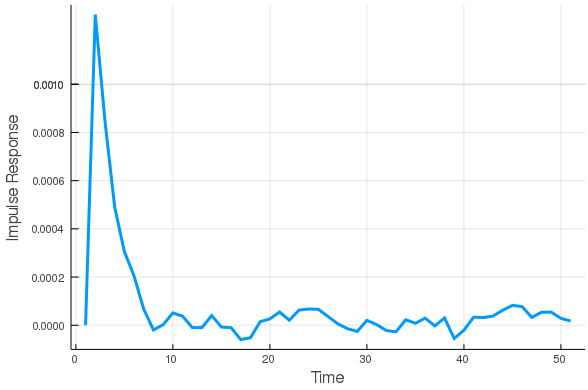

Figure A.1.1: IRF till 50 periods after the shock

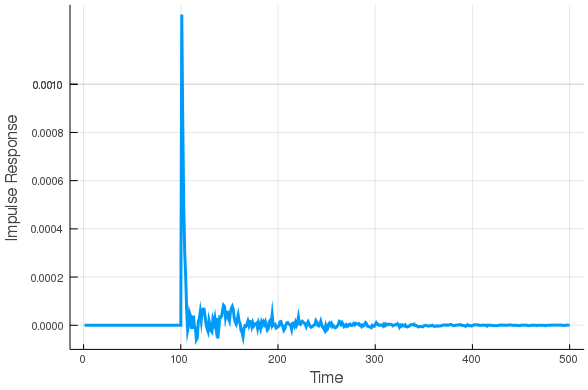

Figure A.1.2: IRF for the entire simulation

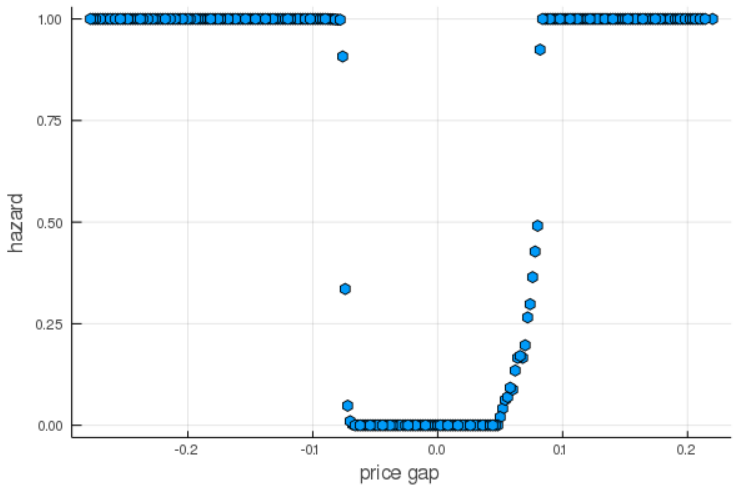

Figure A.1.3: Hazard

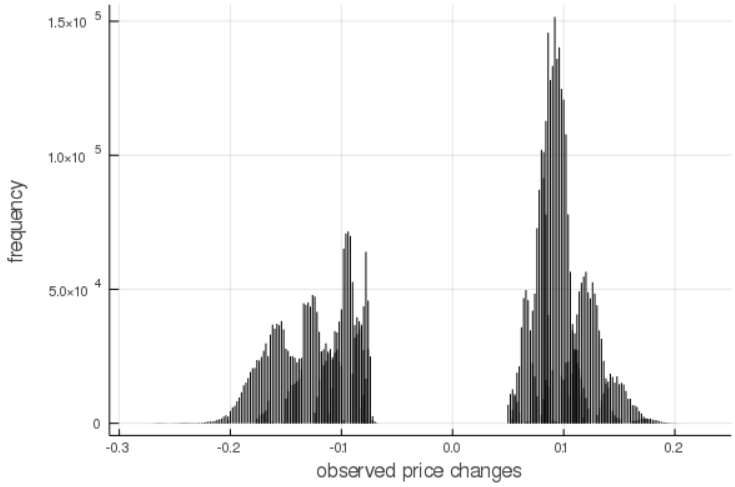

Figure A.1.4: Observed Price Changes

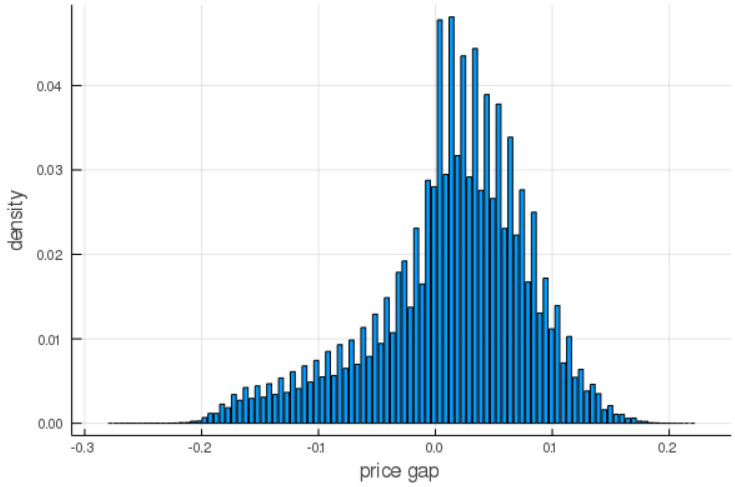

Figure A.1.5: Price Gap Distribution

Chapter B

Calvo Plus

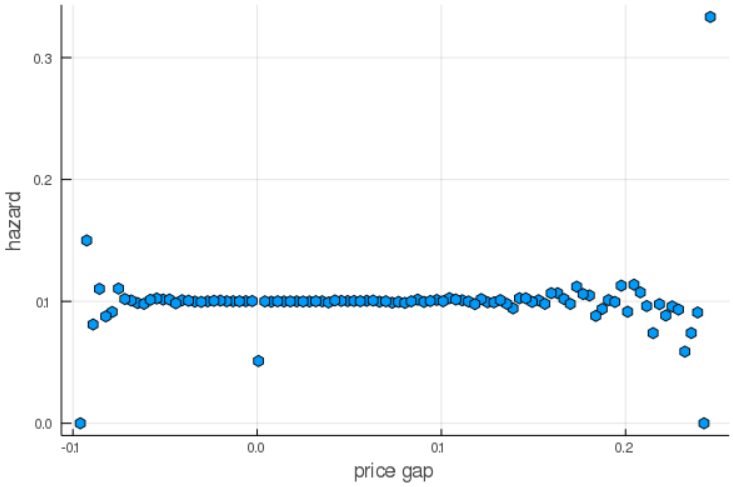

Figure B.0.1: Hazard

Bibliography

Golosov, Mikhail, and Robert E Lucas Jr. 2007. "Menu costs and Phillips curves." *Journal of Political Economy*, 115(2): 171–199.