Evaluating Brochier and Macedo e Silva (2019) paper

Gabriel Petrini, Lucas Teixeira

August 6, 2020

Contents

1 Appendix A

1.1 Government debt

$$\theta_* = \frac{\{}{}$$

$$\{u\_N \left(\sigma - \tau \left(1 + \theta_*\right)\left(1 - \pi \ s \ f\right\}\{v\} - i\theta_* sf\tau\}\{g\char94* - i \left(1 - \tau\right\}(A2)$$

1.2 Leverage ratio

$$l = \frac{\{}{\left(1 + g\right)\left(h - \pi}$$

$$\text{sf} - g\lambda \ v_h\}\{g - i \ sf\} \ (A4)$$

1.3 Household wealth

$$v_h = \frac{\{}{\left(1 - \tau}$$

$$\left(bi + ilsf + \frac{\{}{u}n\left(1 + g \backslash \text{right}\right)\left(1 - \alpha_1 + \pi \left(\alpha_1 - \text{sf}\}\{v\}t\right)\}\{\alpha_2 + g\} \ (A6)$$

1.4 Marginal propensity to invest

$$h = \frac{\{}{-}\gamma\sigma un + \gamma un\left(1 + g\right)\left(1 - \alpha$$

$$_1 \left(1 - \pi\left(1 - \tau - \alpha_2 \ \gamma \ v \ v_h\}\{\gamma \ un \left(1 + g\right)\}(A7)$$

1.5 Removing government

$$h = \{ -\alpha_2 \left(isfv \left(-\left(1+g\right)\left(h - \pi \right.\right.\right.$$

$\text{sf} \backslash \text{right}) + \text{g } \lambda \text{ v}_h - un\left(1+g\right)\left(g - isf\right)\left(1 - \alpha_1 + \pi \left(\alpha_1 - \text{sf} - un \leq \text{ft}(1 + \text{g}(-1 - \alpha_1 \left(-1 + \pi \left(_2 + g\right)\left(g - isf\right)\right)\right)\} \{un \left(1 + \right.$

- $\text{g}(g - isf)\}$ (1)