Problem Set #8

ECON 833, Prof. Jason DeBacker
Due Friday, December 3, 5:00 p.m.

Now that you've specified an economic model (Problem Set 7), you will use dynamic programming techniques to solve the model. If you need to make some assumptions not stated in the economic model in order to solve it on the computer, please specify those. You may choose your solution technique (e.g., policy function iteration, value function iteration).

To show your model solution, please plot your value function as a function of the state variable (or one of the state variables) and plot at least one of your policy functions as a function of the state variable (or one of the state variables).

Deliverables

You will submit your problem set by pushing the files to your GitHub repository that you created from forking the repository for this class. You will place all files for the problem set in the path `/CompEcon_Fall202/ProblemSets/ProblemSet8/`. These files will include:

1. Two `*.py` scripts. One of these should be a module that contains nothing but function definitions of functions used in your model solution. Call this `functions.py`. The second will be called `execute.py` and will declare the model parameters and call the functions necessary to solve the model, and then plot the model output (the value and policy function plots outlined above).

2. A pdf compiled from TeX that includes the model description from Problem Set 7 and then a section with the figures of the model output, along with a description of those figures. Please name your pdf "ProblemSet8_LastName.pdf".