

README.ODT

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This version, August 9, 2010, 10:12pm AEST.

*The files are prefixed by the type of economy considered.*

## 1. DM Price-taking Model with Money, Credit and Capital Complementarity in DM

- pt\_ss.m (Solve for steady state)
- pt\_eq.m (Specify stochastic dynamic SME characterization)
- pt\_run.m (Main script to solve, simulate and do impulse responses.)

## 2. Limit of Economy 1 with no anonymity (KAPPA = 0)

This is equivalent to a pareto solution.

- pareto\_ss.m (Solve for steady state)
- pareto\_eq.m (Specify stochastic dynamic SME characterization)
- pareto\_run.m (Main script to solve, simulate and do impulse responses.)

## 3. Limit of Economy 1 with dichotomy between DM and CM (PHI = 1)

Note PHI is  $\varphi$  in the paper!

- ptnodmk\_ss.m (Solve for steady state)
- ptnodmk\_eq.m (Specify stochastic dynamic SME characterization)
- ptnodmk\_run.m (Main script to solve, simulate and do impulse responses.)

### Other files

- Model primitives, i.e. preference and technology functions, and their derivatives, are found in directory **/\_func**
- Computational tools are found in **/\_tools**
- Older files are archived in **/\_old**
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### NOTES:

- The parameter SIGMA is still fixed at an exogenous 0.065. This needs to be calibrated in baseline Economy 1 to the semi-elasticity of money demand w.r.t. interest rate. STILL IN PROGRESS.
- Proportional bargaining case under construction.
- Nash bargaining to be done.
- Where is CIA model??

### Changelog:

- T. Kam, August 9, 10.28pm AEST, Created **Economy 3** above; Renamed files to shorter and more logical names!