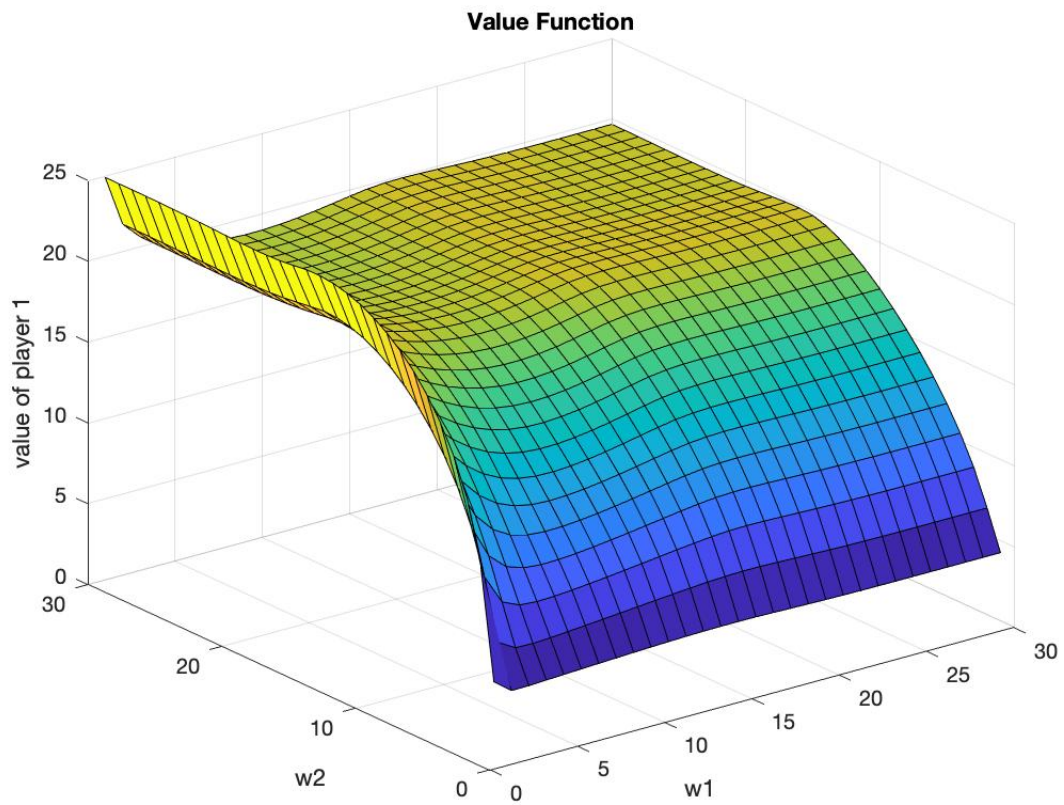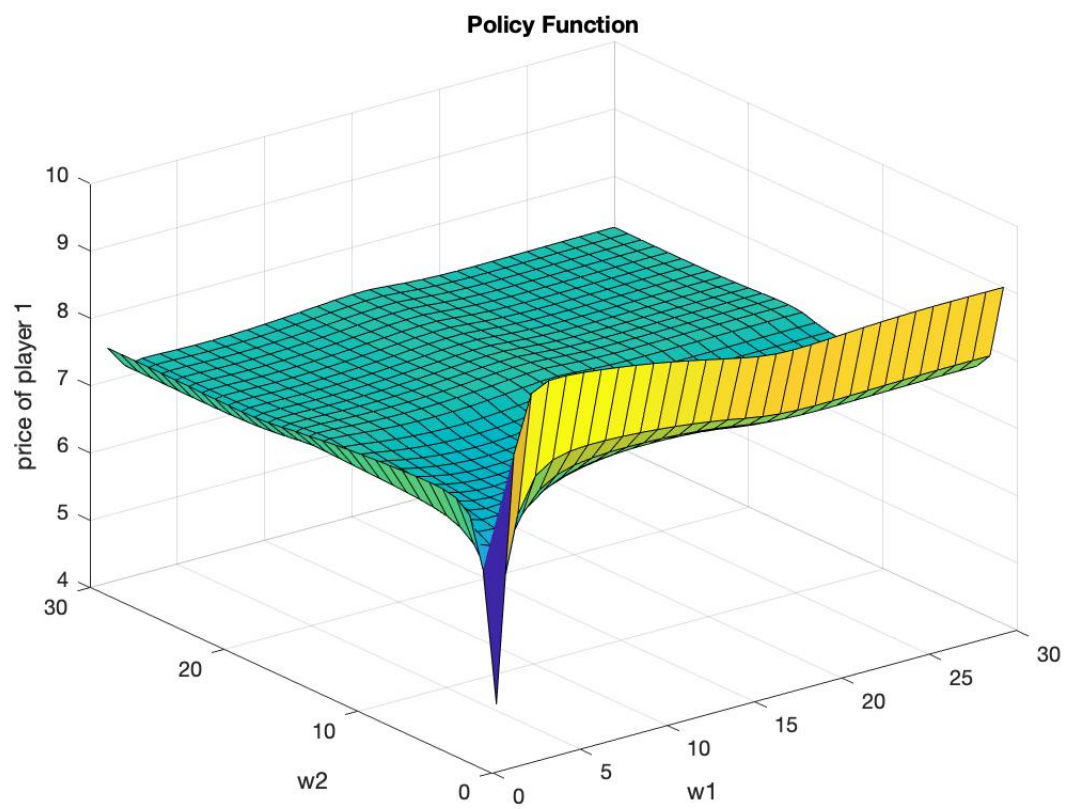# Homework 7

Mihai Pasnicu

February 18, 2019

1 Problem 1

Policy Function

2 Problem 2

dist. of state after 10
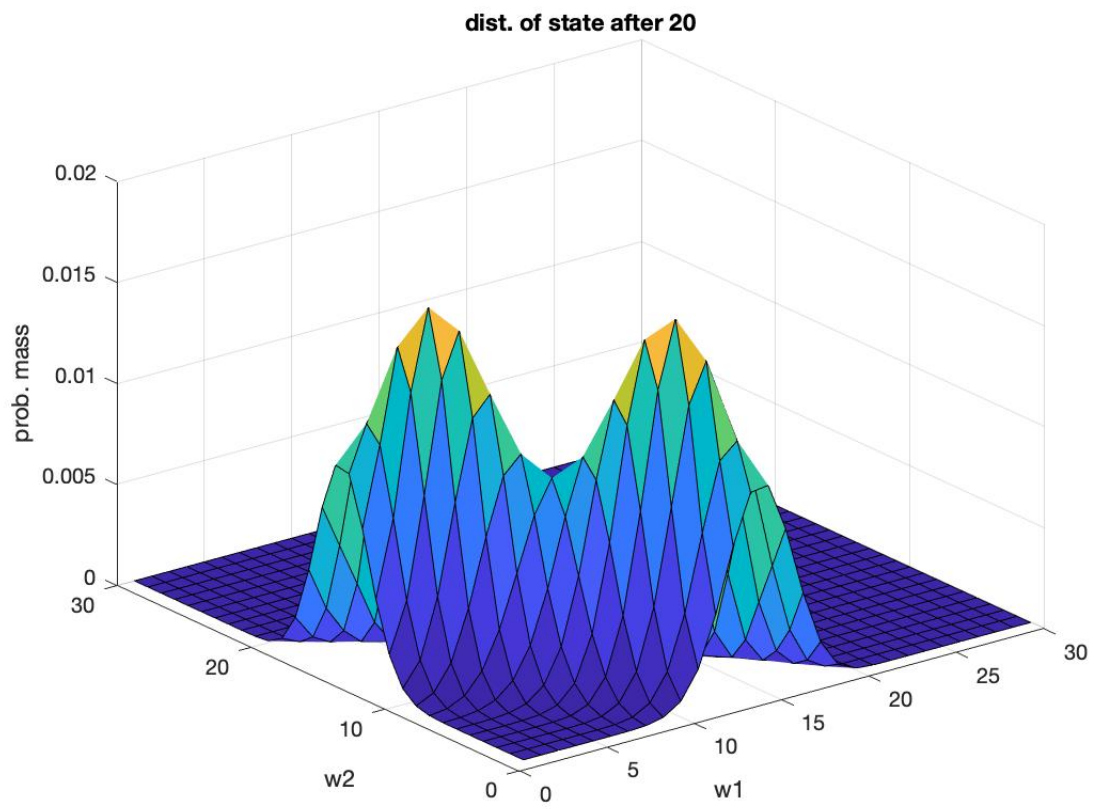
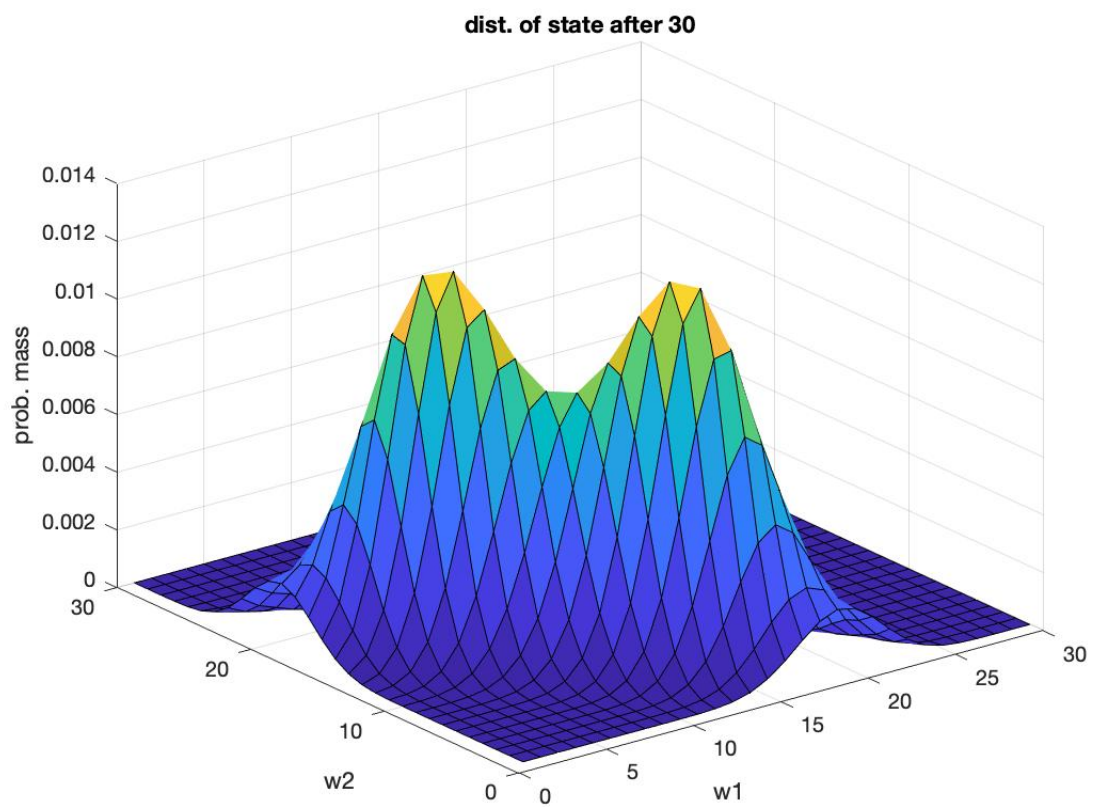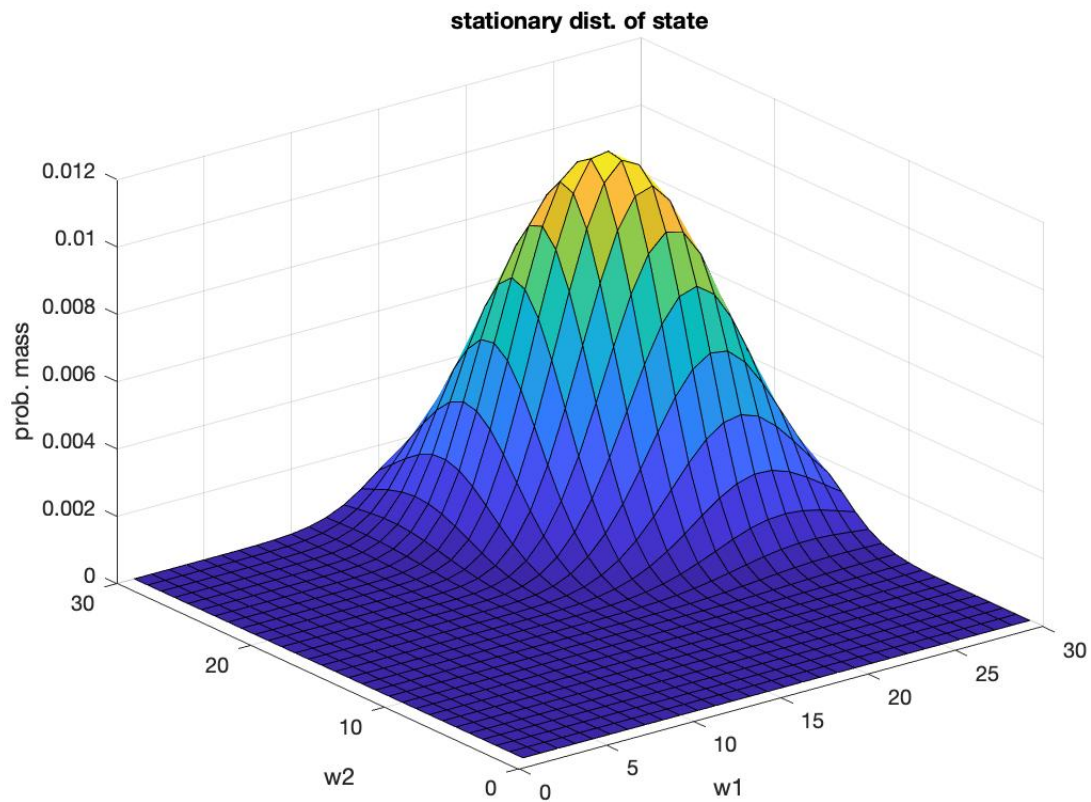**dist. of state after 20**

dist. of state after 30
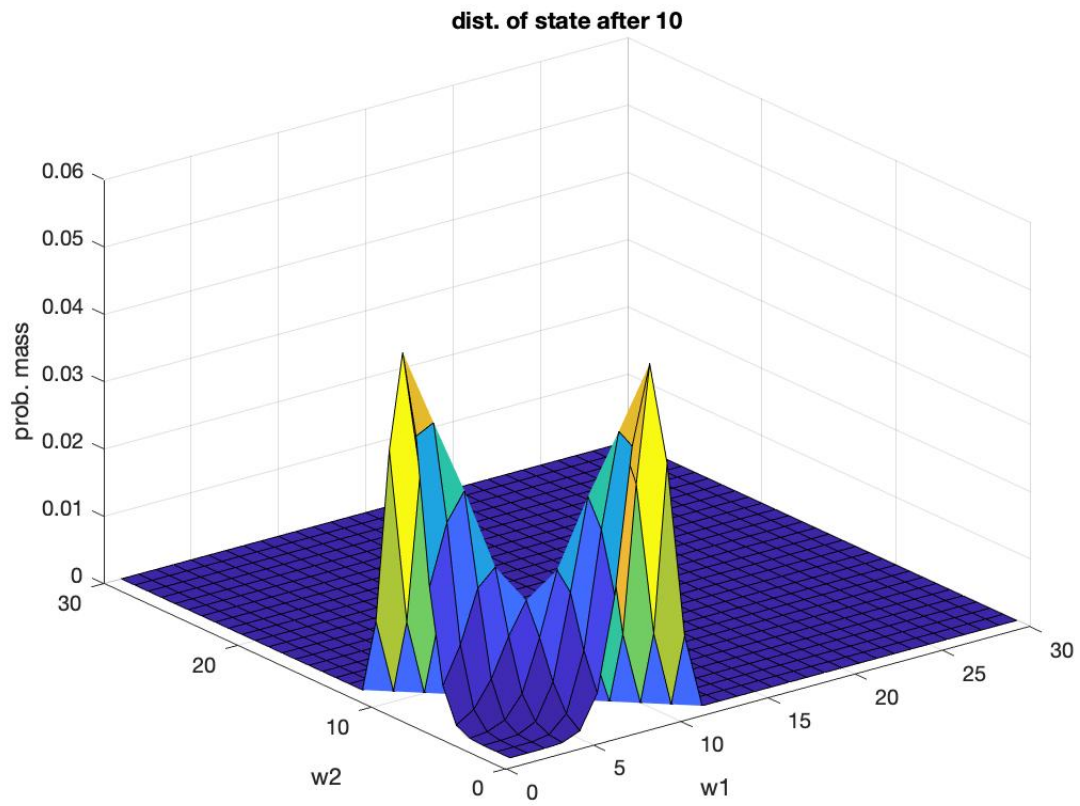
3   Problem 3

4   Note

The algorithm converges very slowly towards an equilibrium, if at all, or with very aggressive λ (dampening factor), if I choose P_0 different than the cost.