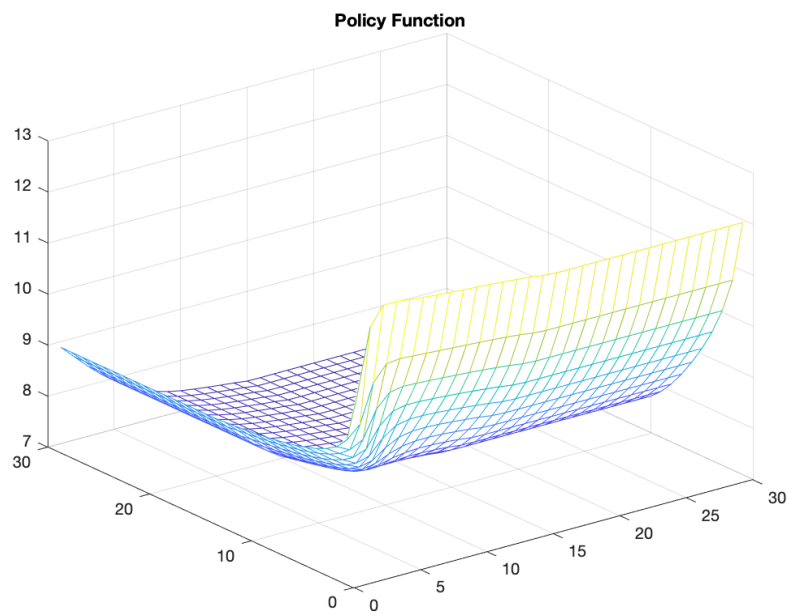
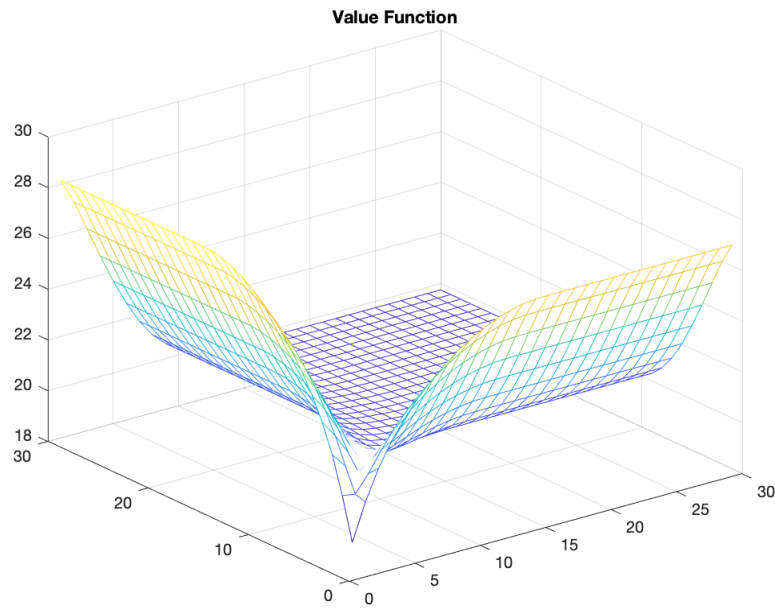


# HW 7

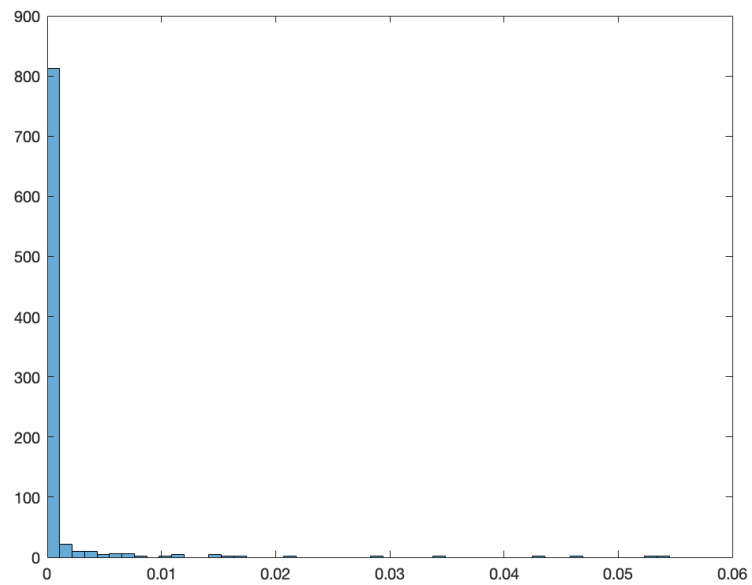
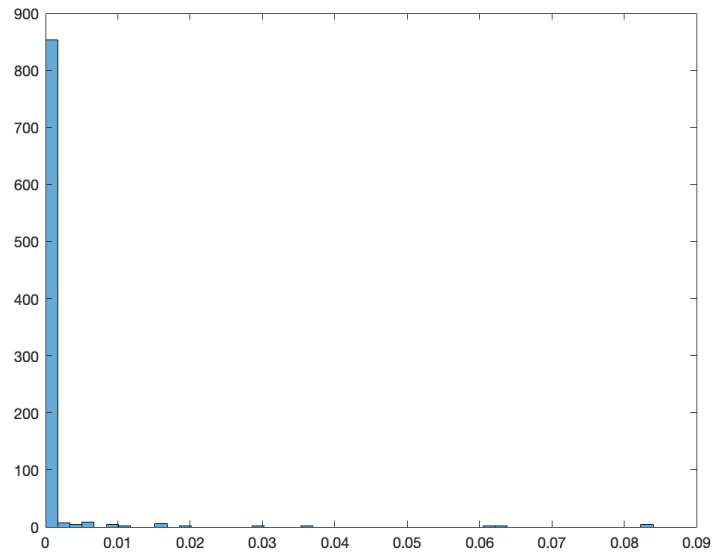
Xinle Pang

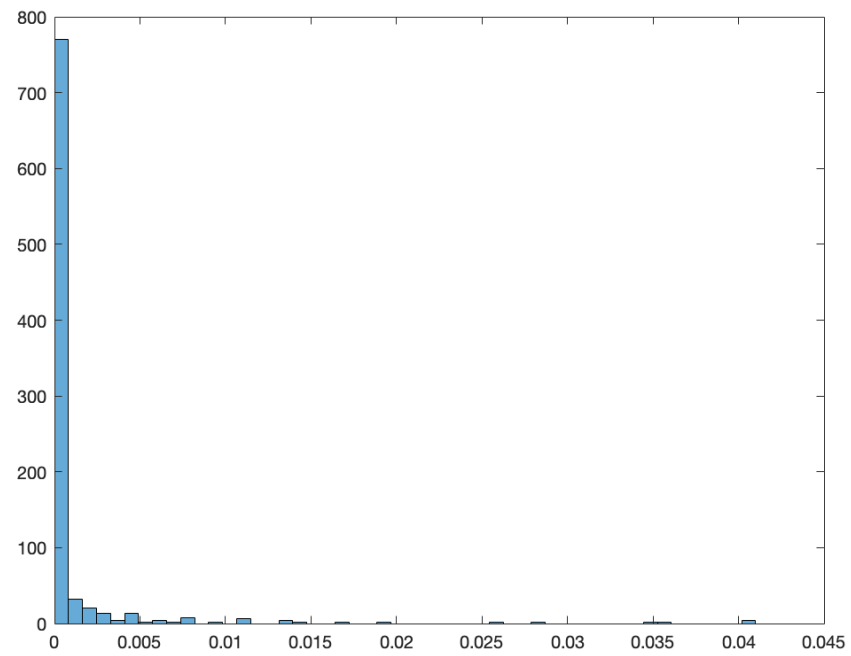
Feb.15 2019

Question 1: Value function and price policy function,



Question 2: start from state (1,1), distribution of states after 10, 20, 30 periods are respectively, here states from ordered as given each w2, order w1 from 1 to 30, then order w2 accordingly.





Question 3: start from state (1,1), stationary distribution of states is

