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1 | # -----
2 | # Author: Philip Coyle
3 | # Date Created: 06/26/2020
4 | # ps4_Q2-Q3.jl
5 | # -----
6 | using Random, Distributions, Plots, Parameters, NLSolve
7 | dir = "/Users/philipcoyle/Documents/School/University_of_Wisconsin/SecondYear/
  • Summer_2020/CodingBootcamp/ProblemSets/PS2/"
8 | ## Question 2
9 | function matching_paper_slips(n::Int64)
10 |     paper_draw = randperm(n)
11 |     paper_order = 1:n
12 |
13 |     location_match = paper_draw .== paper_order
14 |     num_match = sum(location_match)
15 |
16 |     return num_match
17 | end
18 |
19 | function sim_paper_slip(n_sim::Int64, n::Int64)
20 |     num_match = zeros(n_sim)
21 |
22 |     for i = 1:n_sim
23 |         num_match[i] = matching_paper_slips(n)
24 |     end
25 |     return num_match
26 | end
27 |
28 |
29 |
30 | match_dist_10 = sim_paper_slip(10000,10)
31 | match_dist_20 = sim_paper_slip(10000,20)
32 | # Plotting
33 | h10 = histogram(match_dist_10, bins=-0.5:1:10.5, yo_label = "n = 10", normed=true,
  • bar_width=1);
34 | h20 = histogram(match_dist_20, bins=-0.5:1:10.5, xticks = 0:1:10, label = "n = 20",
  • normed=true, bar_width=1);
35 | plot(h10, h20, layout=(1,2))
36 | savefig(dir * "Q2.pdf")
37 |
38 | ## Question 3
39 | # Structures
40 | @with_kw struct Parameter
41 |     μ_s::Float64 = 0.06
42 |     σ_s::Float64 = 0.06
43 |
44 |     lb_e::Float64 = 0.0
45 |     ub_e::Float64 = 0.06
46 |     μ_e::Float64 = (lb_e + ub_e)/2
47 |
48 |     n_sim::Int64 = 10000
49 |
50 |     start_year = 30
51 |     retire_year = 67
52 | end
53 |
54 | # Functions
55 | function p_solve()
56 |     params = Parameter()
57 |
58 |     P_0 = [0.0]
59 |     p_nlsolve!(x) = opt_p!(x, params)
60 |     out = nlsolve(p_nlsolve!, P_0)
61 |
62 |     P_opt = out.zero
63 |

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63
64     return P_opt, params
65 end
66
67 function opt_p!(x::Array{Float64}, params::Parameter)
68     P = x[1]
69     savings, earnings = savings_decison(P, params, false)
70
71     R = savings - 10*earnings
72
73     return R
74 end
75
76 function p_uncert_solve(X::Array{Float64})
77     params = Parameter()
78
79     p_uncert_nlsolve!(x) = opt_p_uncert!(x, params)
80     out = nlsolve(p_uncert_nlsolve!, X)
81
82     P_opt = out.zero
83
84     return P_opt, params
85 end
86
87 function opt_p_uncert!(x::Array{Float64}, params::Parameter)
88     P = x[1]
89     avg_success = sim_savings_decision(P, params)
90
91     R = 0.9 - avg_success
92
93     return R
94 end
95
96 function sim_savings_decision(P::Float64, params::Parameter)
97     @unpack n_sim = params
98
99     save_enough = zeros(n_sim)
100    Random.seed!(06262020);
101    for i = 1:n_sim
102        savings, earnings = savings_decison(P, params, true)
103        save_enough[i] = savings >= 10*earnings
104    end
105    avg_success = sum(save_enough)/n_sim
106    return avg_success
107 end
108
109 function savings_decison(P::Float64, params::Parameter, uncertainty::Bool)
110     @unpack μ_s, σ_s, lb_e, ub_e, μ_e, start_year, retire_year = params
111
112     # Allocate Space
113     S = zeros(retire_year)
114     S[start_year] = 100
115     E = zeros(retire_year)
116     E[start_year] = 100
117     time_elapsed = retire_year-start_year
118
119     if uncertainty == true
120         dist_s = Normal(μ_s, σ_s)
121         dist_e = Uniform(lb_e, ub_e)
122
123         savings_gr = 1 .+ rand(dist_s, retire_year)
124         earnings_gr = 1 .+ rand(dist_e, retire_year)
125     else
126         savings_gr = 1 .+ μ_s*ones(retire_year)
127         earnings_gr = 1 .+ μ_e*ones(retire_year)
128     end

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129
130     for i = start_year + 1:retire_year
131         S[i-1] += P*E[i-1]
132         E[i-1] -= P*E[i-1]
133
134         S[i] = S[i-1]*savings_gr[i]
135         E[i] = E[i-1]*earnings_gr[i]
136     end
137
138
139     return S[retire_year], E[retire_year]
140 end
141
142 # Main Code
143 # Part A
144 P, params = p_solve()
145 savings, earnings = savings_decison(P[1], params, false)
146 savings >= floor(10*earnings)
147
148 # Part B
149 avg_fail = 1 - sim_savings_decision(P[1], params)
150
151 # Part C
152 P_0 = [0.035]
153 P, params = p_uncert_solve(P_0)
154 avg_success = sim_savings_decision(P[1], params)
155

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