

# Expectation Shocks

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## Abstract

<sup>1</sup>.

**Keywords:**

**JEL Classification:**

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<sup>1</sup>The replication code of this paper, using Python, R and Julia is available on my github page:  
<https://github.com/sonanmemon>



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# 1. MOTIVATION

## **2. AGGREGATE DEMAND AND AGGREGATE SUPPLY MODEL**

### 3. IMPULSE RESPONSES

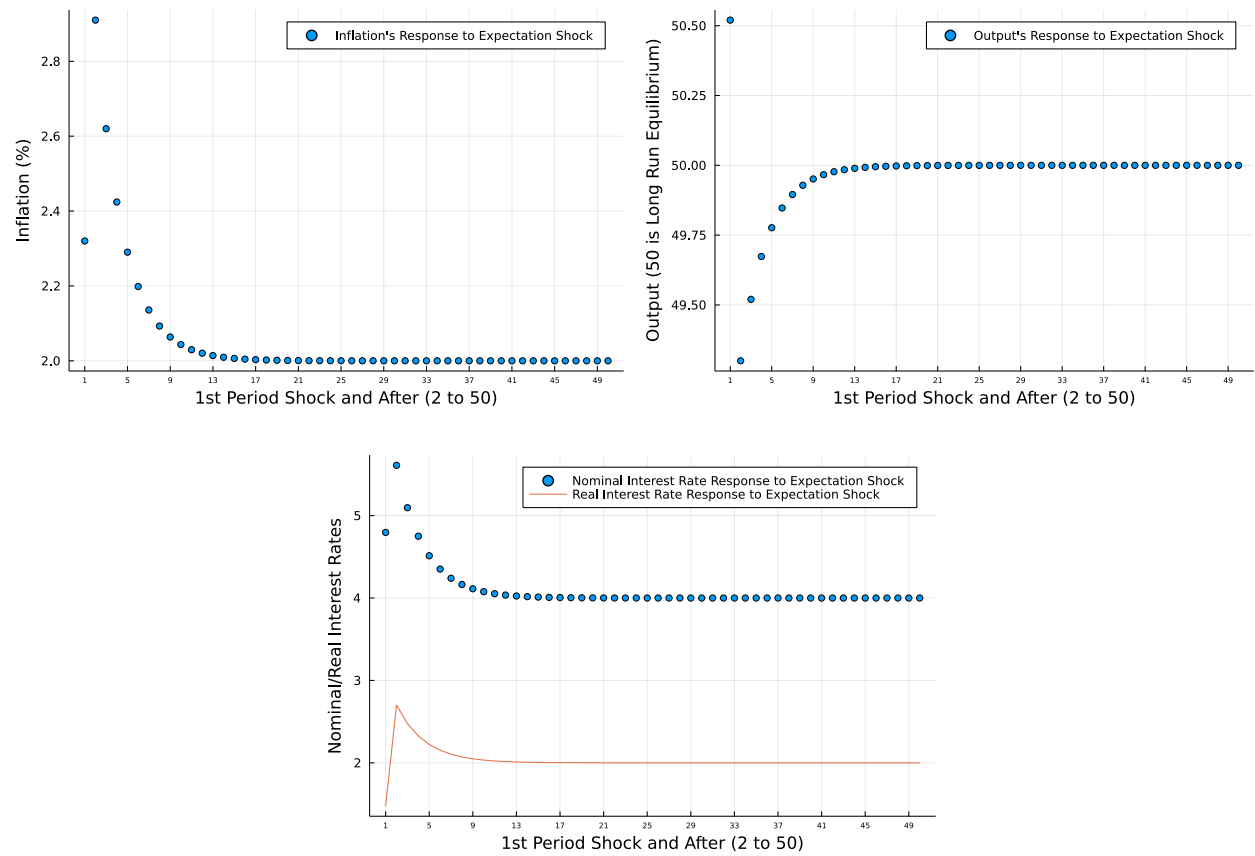


Figure 1: Impulse Responses For 1 Period Expectation Shock

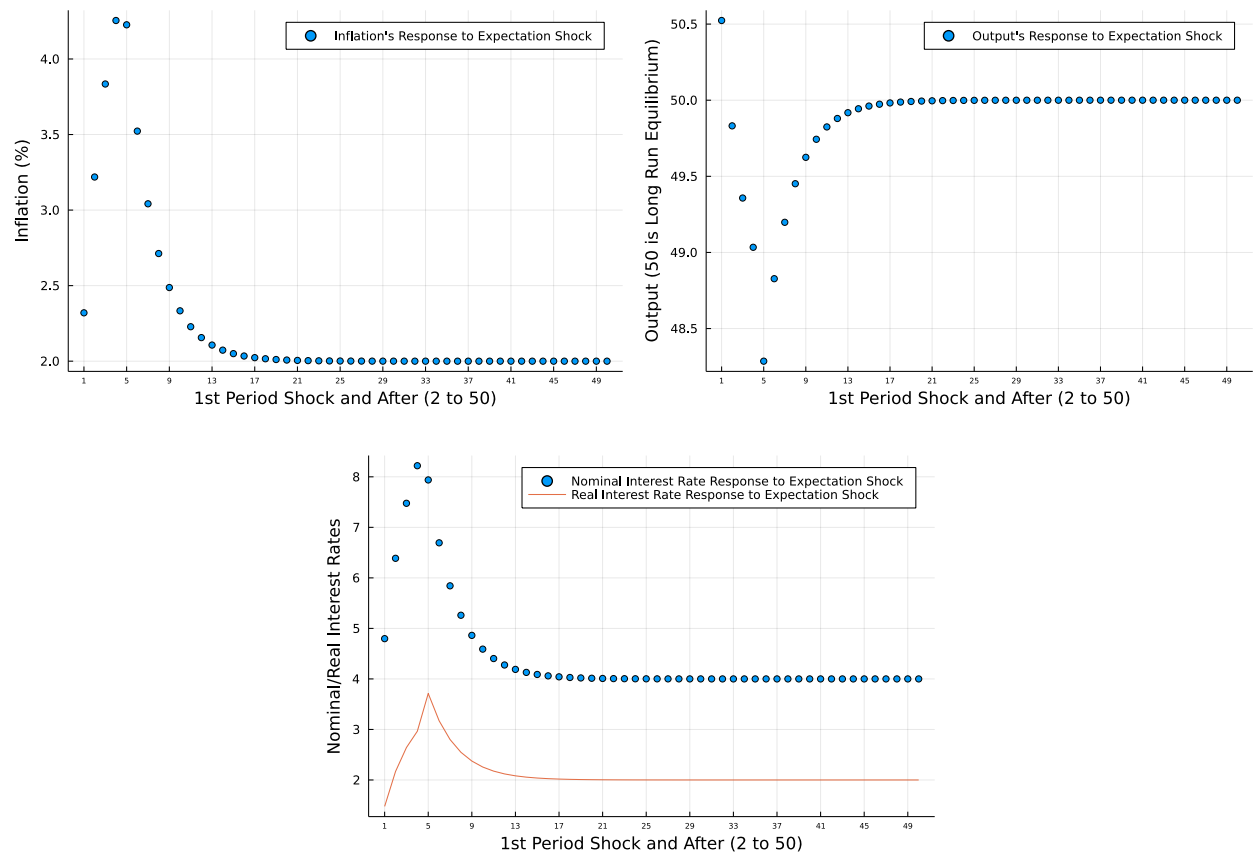


Figure 2: Impulse Responses For 4 Period Expectation Shock

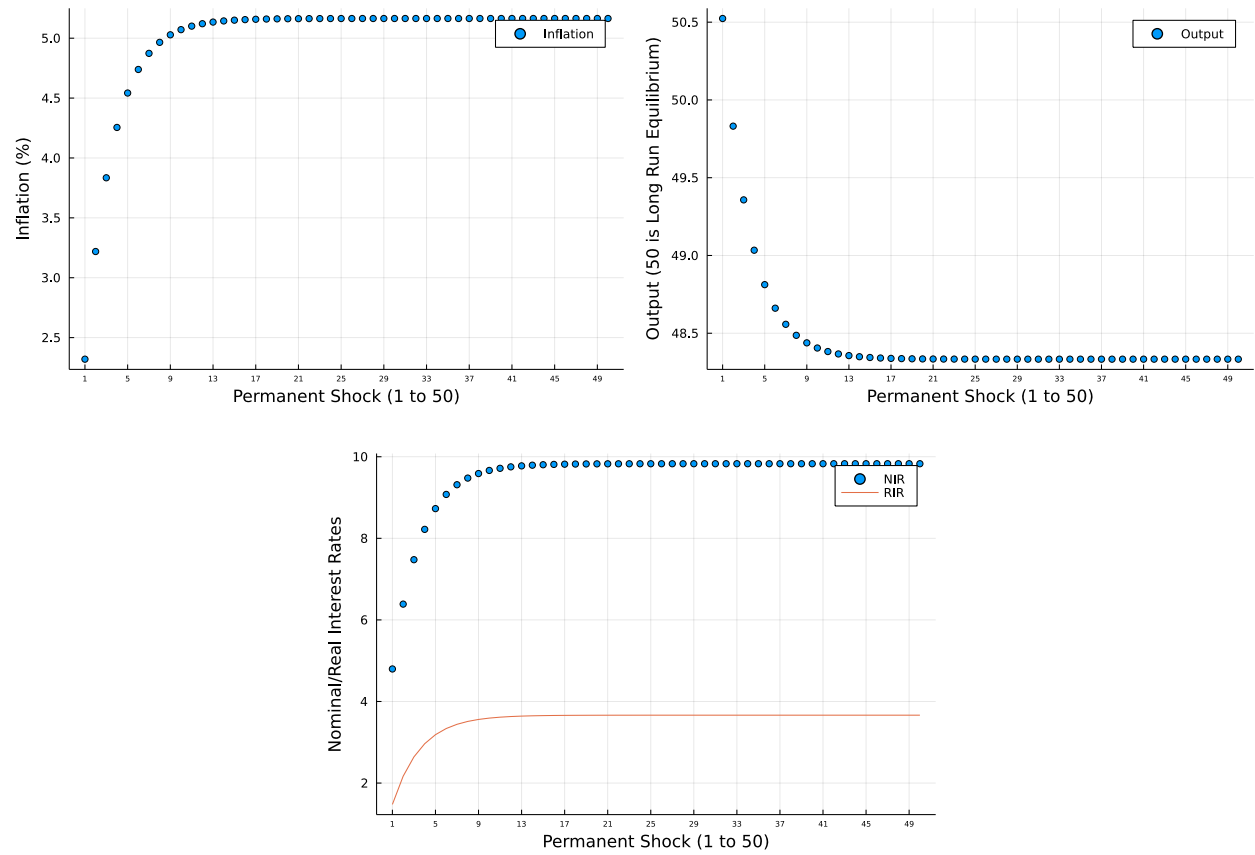


Figure 3: Impulse Responses For Permanent Expectation Shock

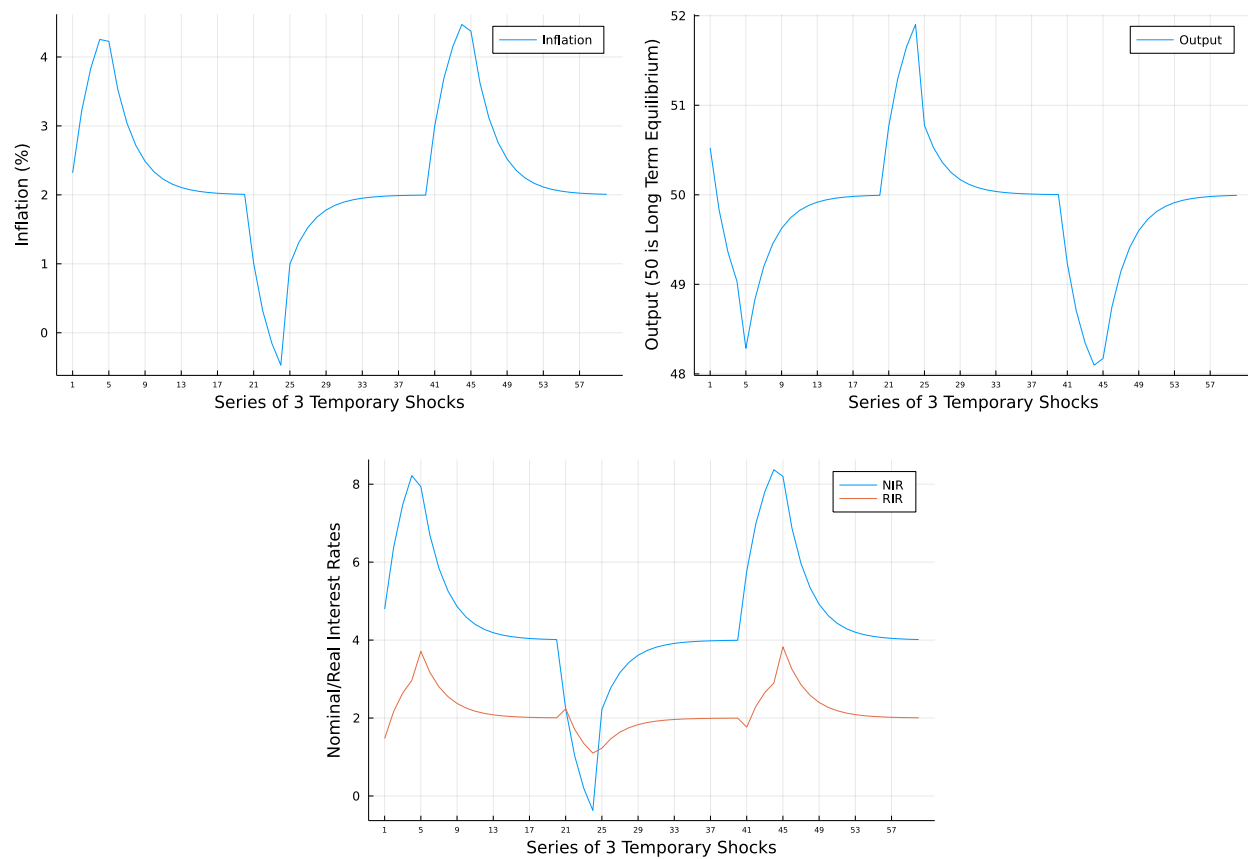


Figure 4: Impulse Responses For Series of 3 Temporary Expectation Shocks



## 4. CONCLUSION

## 5. APPENDIX

## REFERENCES