

Problem Set 9

1 Analytical Questions

1.1 Search and Business Cycles

1. Ljungqvist & Sargent 2nd edition 26.2 or 3rd edition 28.2.
 - For this question assume that if an employed worker quits, she does not receive unemployment benefit b in the first period.
2. Ljungqvist & Sargent 2nd edition 26.3 or 3rd edition 28.3.

1.2 Skill Levels and Unemployment Rates

1. Ljungqvist & Sargent 2nd edition 26.4, part (a) or 3rd edition 28.4, part (a) .