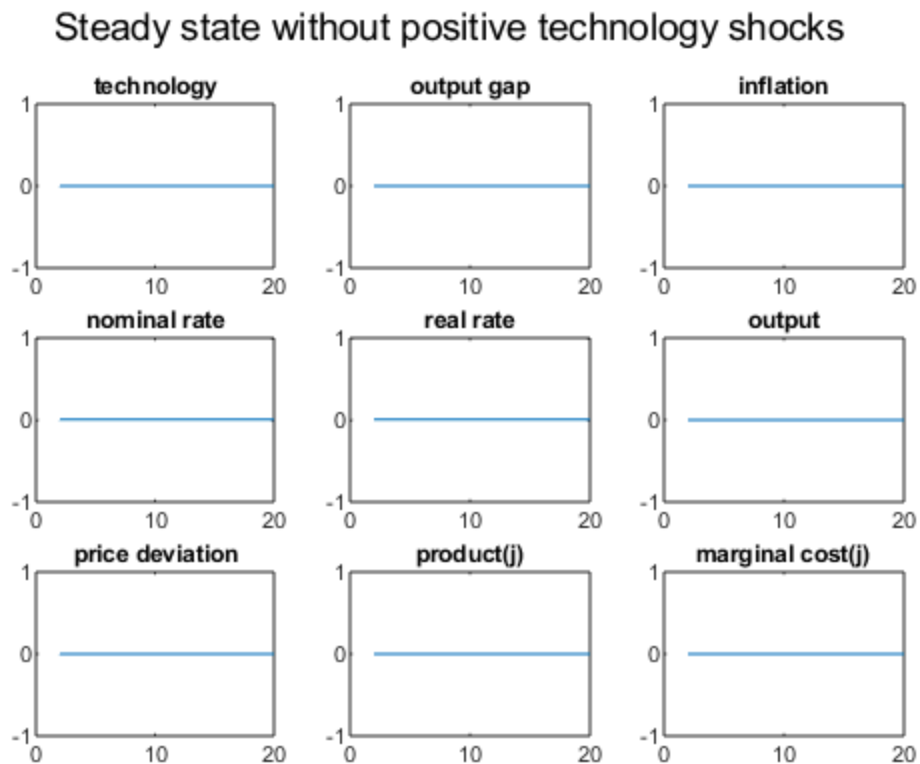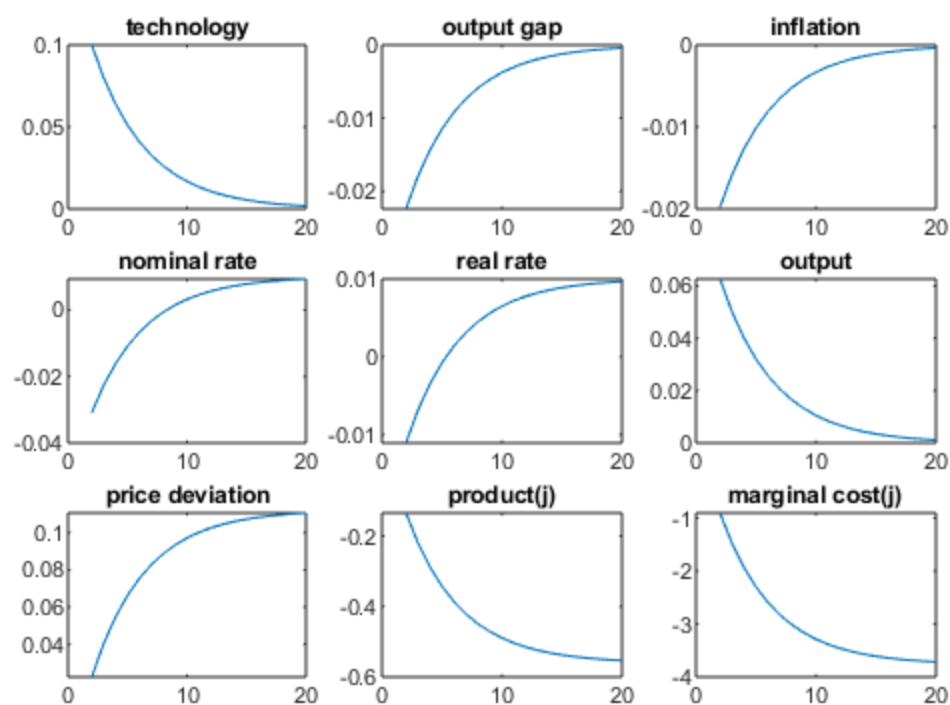```
modela=NKM;
modela=init(modela);

% introduce a one-time shock:
v=zeros(20,1);
modela.shock(v, 'q4_1', 'Steady state without positive technology
 shocks');
v(2)=0.1;
modela.shock(v, 'q4_2', 'Impulse Response for a positive technology
 shock: Regime 1');
modelb=NKM;
modelb.psipi=10;
modelb.psiy=0;
modelb=init(modelb);
modelb.shock(v, 'q6_1', 'Impulse Response for a positive technology
 shock: Regime 2');

% introduce a 100 period random shock:
v= sqrt(modela.sigmaa2)*randn(100); % tech shock
modela.shock(v, 'q5_1', 'Path for 100 period random shocks: Regime
 1');
modelb.shock(v, 'q5_2', 'Path for 100 period random shocks: Regime
 2');
```
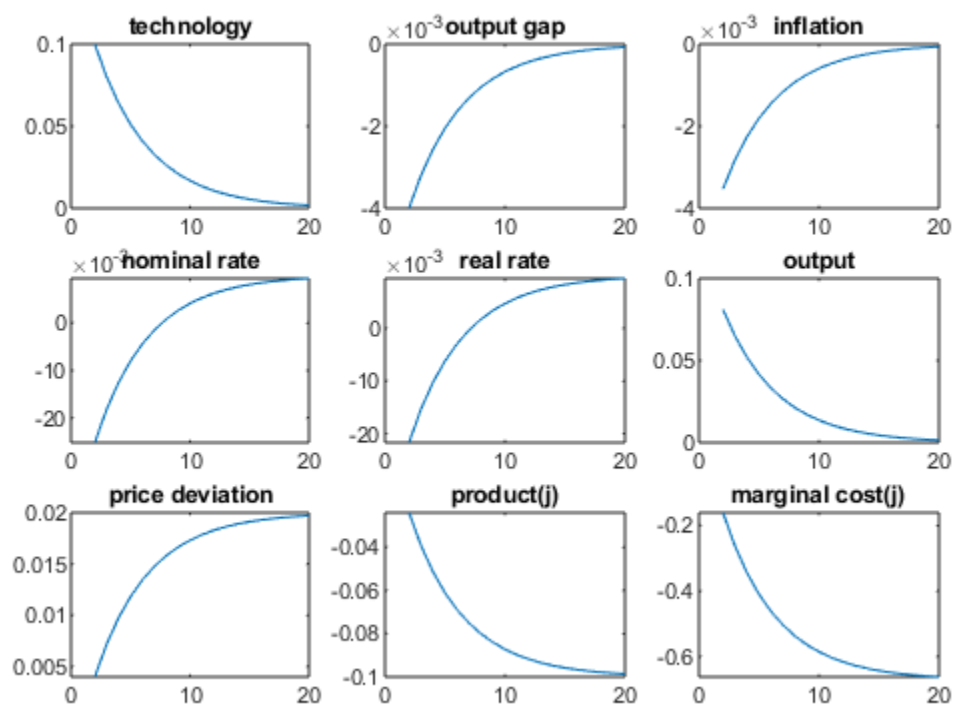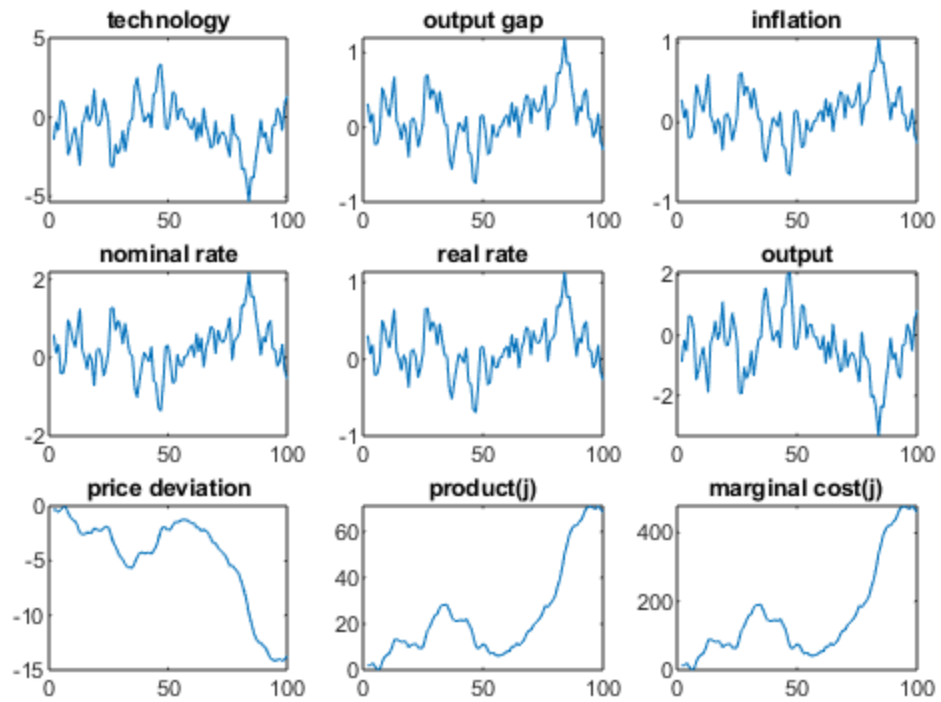


Steady state without positive technology shocks

## Impulse Response for a positive technology shock: Regime 1

**technology**

**output gap**

**inflation**

**nominal rate**

**real rate**

**output**

**price deviation**

**product(j)**

**marginal cost(j)**

## Impulse Response for a positive technology shock: Regime 2

**technology**

$\times 10^{-3}$ **output gap**

$\times 10^{-3}$ **inflation**

$\times 10^{-2}$ **nominal rate**

$\times 10^{-3}$ **real rate**

**output**

**price deviation**

**product(j)**

**marginal cost(j)**

## Path for 100 period random shocks: Regime 1

### technology

### output gap

### inflation

### nominal rate

### real rate

### output

### price deviation

### product(j)

### marginal cost(j)

## Path for 100 period random shocks: Regime 2

### technology

### output gap

### inflation

### nominal rate

### real rate

### output

### price deviation

### product(j)

### marginal cost(j)