ECON 5006 HW1- Wei Ye

```
%Q1: Creat only income array
cash_flow(:,:,1)=[100000 72500 41000;125000 82500 43500;180000 89000 45900;300000 9700

%Create the saving array
cash_flow(:,:,2)=[35000 22500 1000;58800 31300 2300;112564 36564 3464;231291 43291 529

%Create the consumption array
cash_flow(:,:,3)=cash_flow(:,:,1)-cash_flow(:,:,2);

%Rename arrays
income=cash_flow(:,:,1);
saving=cash_flow(:,:,2);
consumption=cash_flow(:,:,3);
```

Once we created the above arrays, we then solve the following questions.

```
%Q2: Info about I2
I2=[income(:,2),saving(:,2),consumption(:,2)]
```

```
I2 = 5×3
       72500       22500       50000
       82500       31300       51200
       89000       36564       52436
       97000       43291       53709
      105000       49980       55020
```

```
%Q3: Info all but for year 3-5
y3_5=[income(3:5,:),saving(3:5,:),consumption(3:5,:)]
```

```
y3_5 = 3×9
      180000       89000       45900      112564       36564        3464 ···
      300000       97000       49000      231291       43291        5291
      425000      105000       53500      354980       49980        8480
```

```
%Q4:Derive the saving rate
sav_rate=saving./income
```

```
sav_rate = 5×3
    0.3500    0.3103    0.0244
    0.4704    0.3794    0.0529
    0.6254    0.4108    0.0755
    0.7710    0.4463    0.1080
    0.8352    0.4760    0.1585
```

```
%Q5: Consumption rate
cons_rate=consumption./income
```

```
cons_rate = 5×3
    0.6500    0.6897    0.9756
    0.5296    0.6206    0.9471
    0.3746    0.5892    0.9245
    0.2290    0.5537    0.8920
    0.1648    0.5240    0.8415
```

```
%Q6: Percentage of income of individual 2 and 3 w.r.t income of individual1
prop23_1=[income(:,2)./income(:,1),income(:,3)./income(:,1)]
```

```
prop23_1 = 5×2
    0.7250    0.4100
    0.6600    0.3480
    0.4944    0.2550
    0.3233    0.1633
    0.2471    0.1259
```

General Questions:

1. How many individuals do we have? Ans: **3. Invidual1, 2 and 3 respectively.**
2. How many years of the data? Ans: **5 years.**
3. How many variables? Ans: **3 variables. Income, savings, and consumption**.