Econ899 PS5

November 12, 2021

The converged value is the following. The values are similar with results in the note. The R^2 is 0.99991.

$$\log K' = \begin{cases} 0.078 + 0.969 \log K & \text{if } z = z_g \\ 0.063 + 0.973 \log K & \text{if } z = z_b \end{cases}$$