

```

1  clear all
2  close all
3
4  global alpha Kb m beta betap a c z mu
5
6  alpha = 1/3;
7  m = 0.5;
8  Kb = 1;
9  betap = 0.99;
10 beta = 0.98;
11 a = 0.7;
12 c = 0.3;
13 z = 0.01;
14
15 % solve for steady state
16 Rs = betap^(-1);
17 qs = a/(1-betap);
18 kps = (betap*alpha/a)^(1/(1-alpha)) - z;
19 ks = Kb - m*kps;
20 bs = betap*qs*ks;
21 xps = (1/m)*(a*ks + m*(z + kps)^(alpha));
22 phis = (a*(beta-1) + beta*c)/(a*(1-beta));
23 mus = (betap-beta)*beta*c/(a*(1-beta));
24 kes = m*z + Kb - m*(alpha/(a+c))^(1/(1-alpha));
25
26 % save parameters
27
28 save param_km alpha m Kb beta betap a c z Rs qs bs ks kps xps phis mus qs
29
30 dynare km97 noclearall nolog
31
32 k_irf = [0;k_ed(1:end-1)];
33 kp_irf = [0;kp_ed(1:end-1)];
34
35 figure
36 subplot(2,3,1)
37 plot(k_irf,'-k','Linewidth',1.5)
38 title('k')
39
40 subplot(2,3,2)
41 plot(kp_irf,'-k','Linewidth',1.5)
42 title('k^{\prime}')
43
44 subplot(2,3,3)
45 plot(YY_ed,'-k','Linewidth',1.5)
46 title('Y')
47
48 subplot(2,3,4)
49 plot(q_ed,'-k','Linewidth',1.5)
50 title('q')
51
52 subplot(2,3,5)
53 plot(mu_ed,'-k','Linewidth',1.5)
54 title('\mu')
55

```