

## Readme

Readme file for the numerical case in the static model  
Liu, Wang and Xu (2019), 2019/07/22

1. RunOptimalPhi.m plots the relation between output and  $\phi$ . replicate Figure 2
2. External files:
  - a. Fun\_g.m computes partial expectation
  - b. Fun\_SolveR.m, Fun\_SolveY.m solve equilibrium interest rate and output
  - c. fminsearchbnd.m is optimizer