

# DYNARE COURSE

## Application 4

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1. in `optim/cgg_osr2.mod`, consider instead the following monetary policy rule:

$$r_t = \gamma_0 r_{t-1} + (1 - \gamma_0) (\gamma_1 inf_t + \gamma_2 y_t)$$

2. Compare the value of the objective function at the optimum with the one obtained for `cgg_osr2.mod`
3. Compute the value of the objective function obtained for `cgg_olr.mod` and compare it with the one obtained for a simple rule.
4. Experiment with different weights in the objective function, both for simple rules and Ramsey policy.
5. Compute optimal policy in the Rubio and Rabanal model for a quadratic objective function. Choose yourself the weights.
6. What happens when you shorten or lengthen the announcement delay in `hlp/hlp1.mod` model?
7. Spread the tax change in the following manner: set it to -12% in period 5 and to the optimal value in period 10.