

**Measuring the effects of Fiscal policy: theory and evidence**  
**UPF Spring 2009**  
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**Homework 2**

Each group should select one problem from each of these sets (i.e. you have two exercises to run). Present i) optimality conditions, the steady states, the log linearized conditions and a short description of the results, together with the computer program you have used to generate the output. Be precise about the parameterization and perform adequate sensitivity analysis.

Set 1: exercises 4.3, 5.1, 5.2, 6.2 from the models-rbc notes

Set 2: exercises 7.1, 7.2, 8.1, 8.2 from the models-rbc notes

You have a week to do this homework.