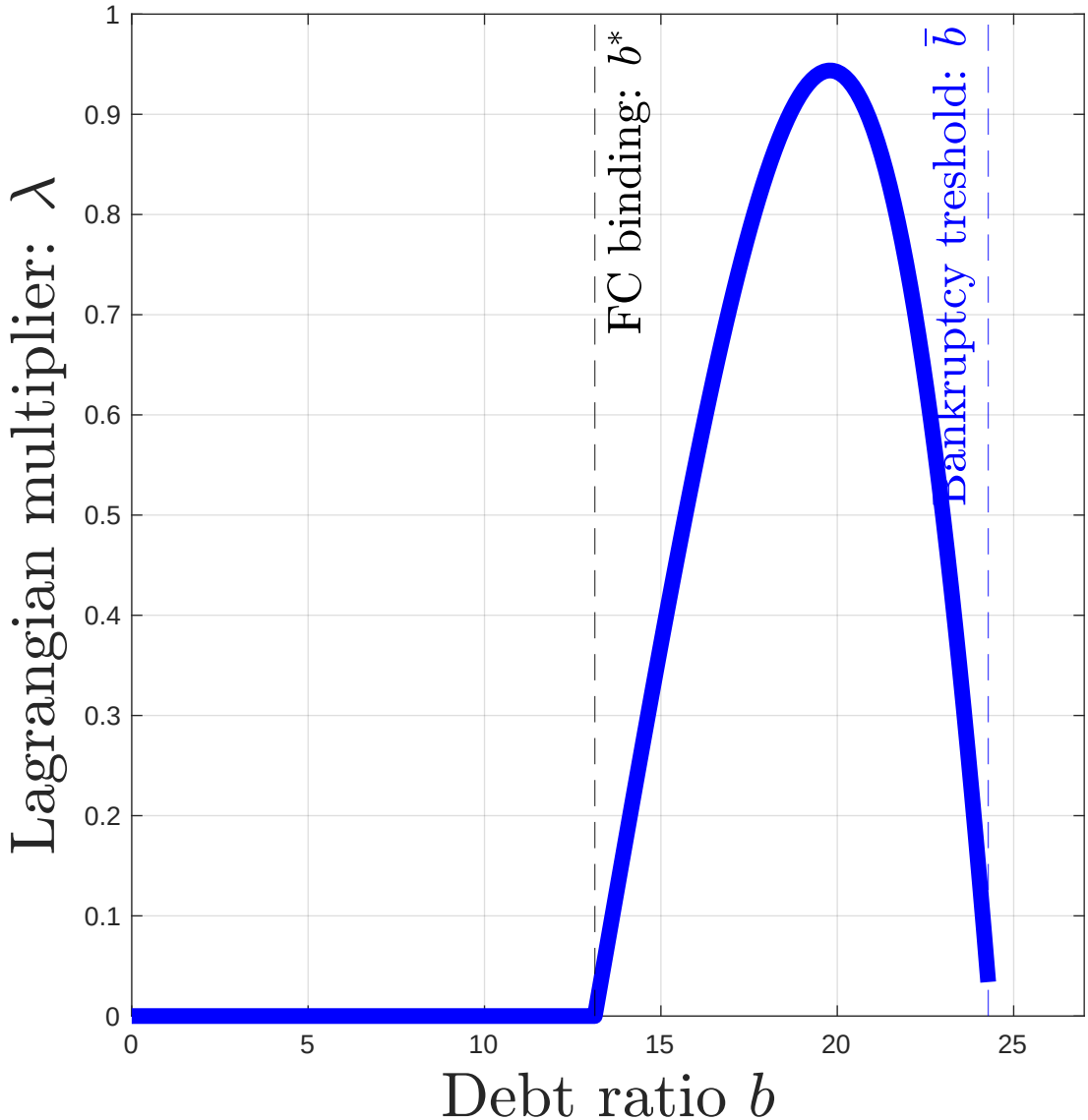
Lagrangian multiplier: λ
Debt ratio b
FC binding: b^*
Bankruptcy treshold: $\bar{b}$
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
0.9
1
0
5
10
15
20
25