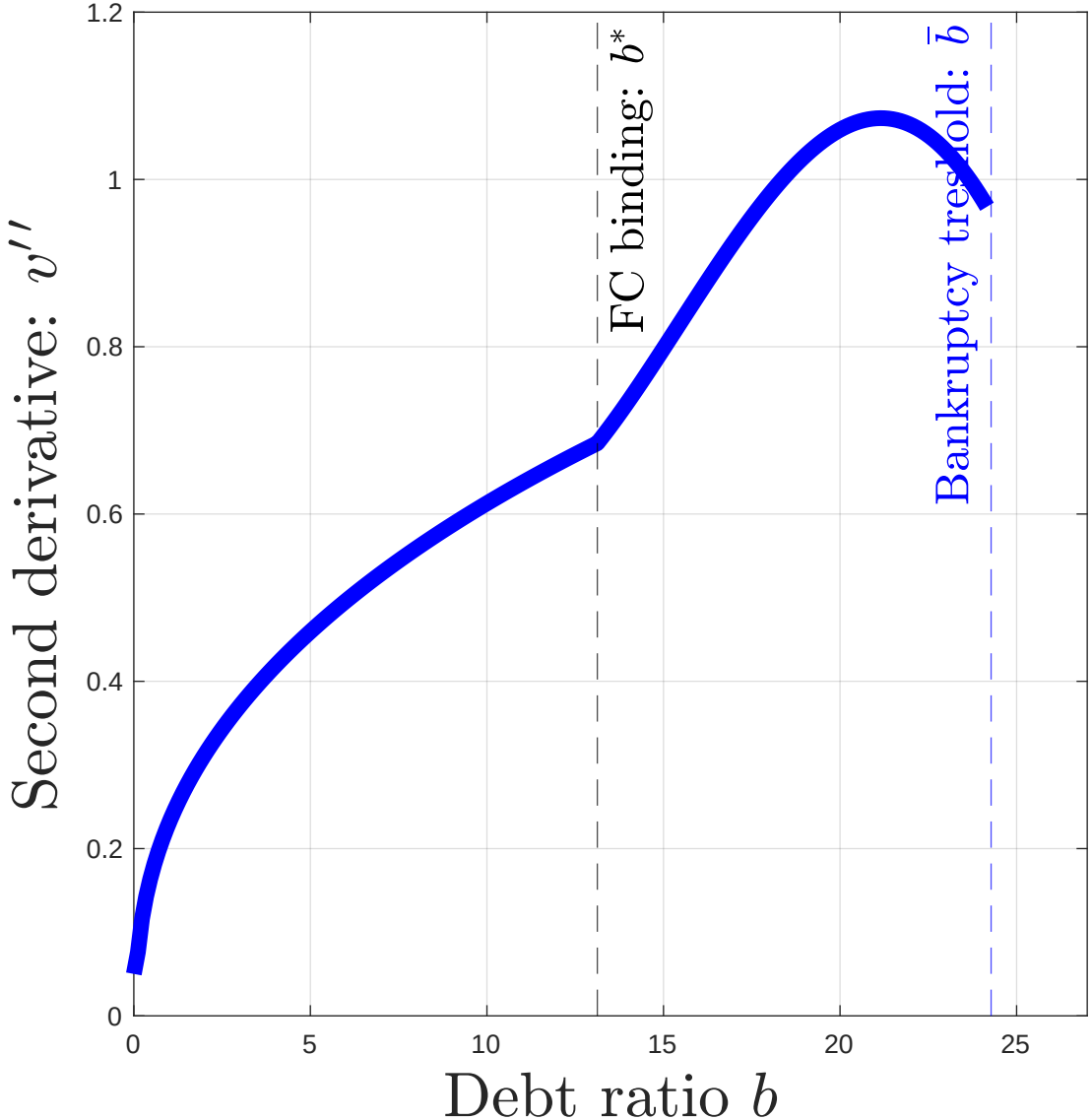
Second derivative: v''
Debt ratio b
FC binding: b^*
Bankruptcy threshold: $\bar{b}$
0
0.2
0.4
0.6
0.8
1
1.2
0
5
10
15
20
25