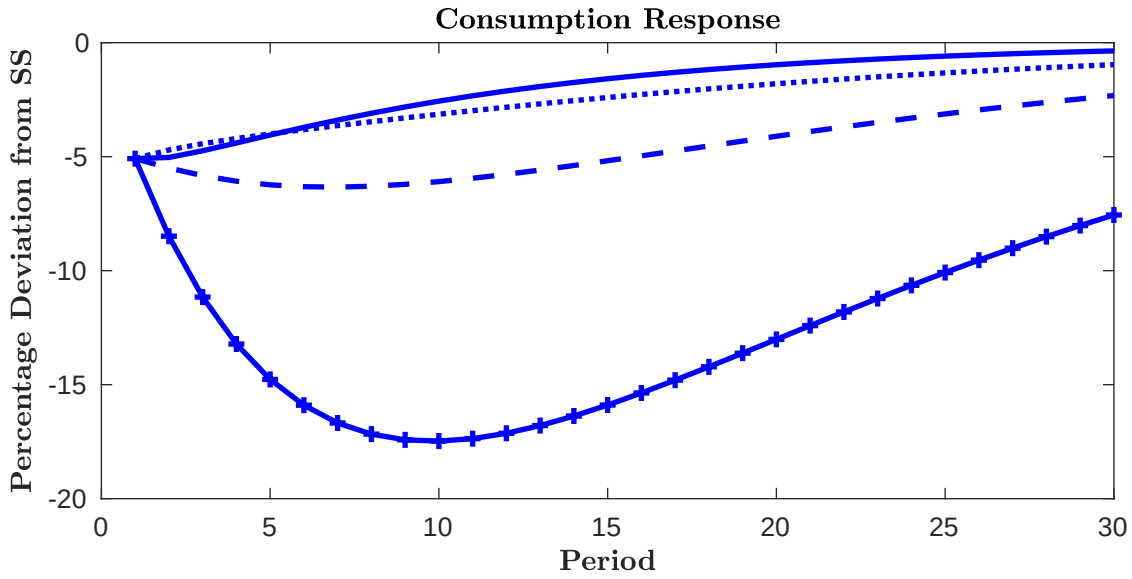
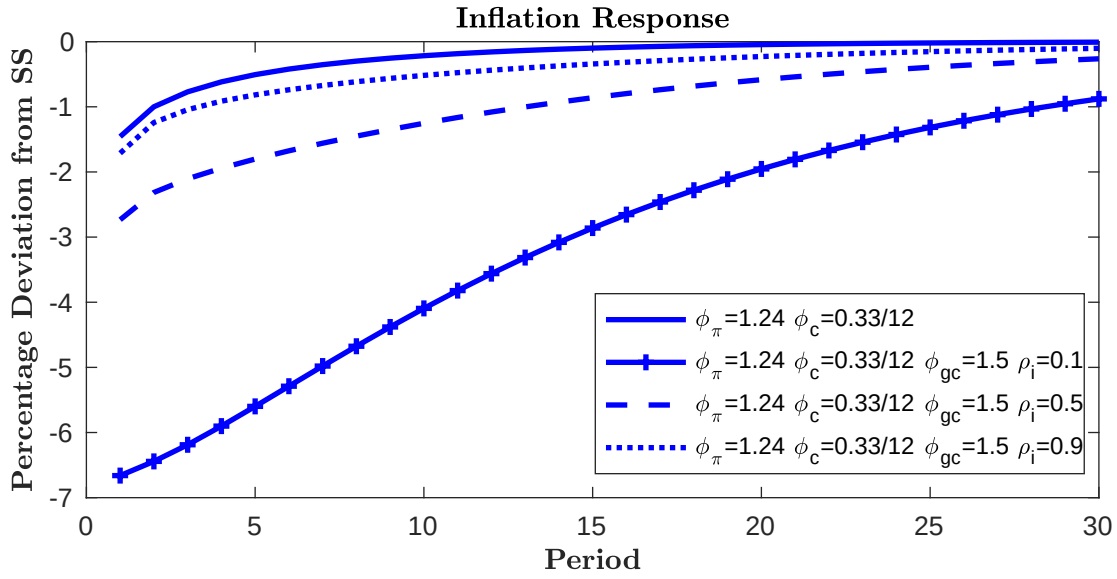
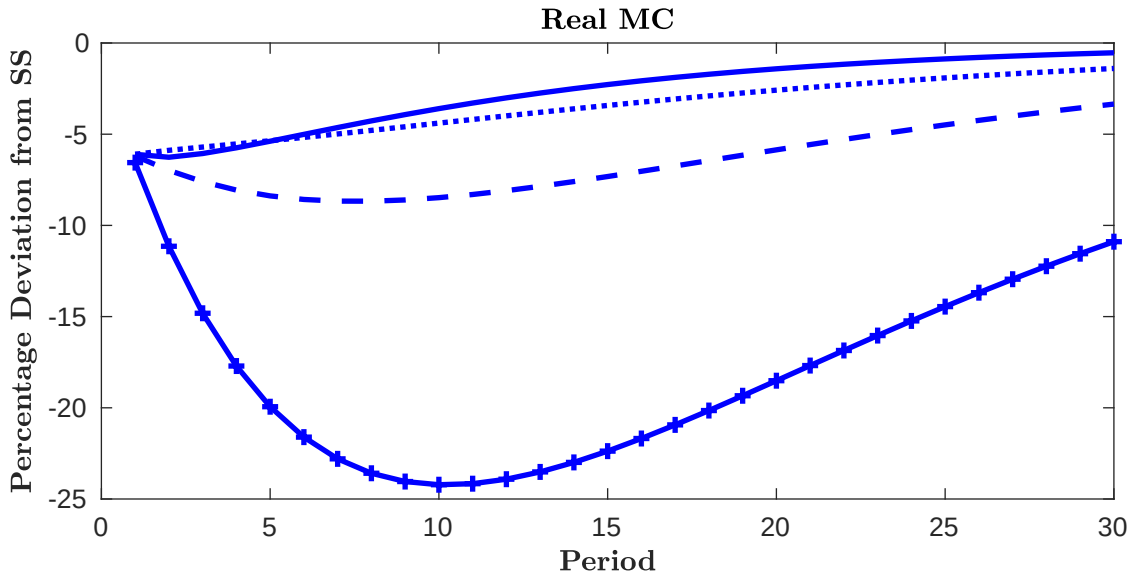

Consumption Response
Percentage Deviation from SS
0
-5
-10
-15
-20
0
5
10
15
20
25
30
Period


Inflation Response
Percentage Deviation from SS
0
-1
-2
-3
-4
-5
-6
-7
0
5
10
15
20
25
30
Period
ϕ_π=1.24 ϕ_c=0.33/12
ϕ_π=1.24 ϕ_c=0.33/12 ϕ_{gc}=1.5 ρ_i=0.1
ϕ_π=1.24 ϕ_c=0.33/12 ϕ_{gc}=1.5 ρ_i=0.5
ϕ_π=1.24 ϕ_c=0.33/12 ϕ_{gc}=1.5 ρ_i=0.9


Real MC
Percentage Deviation from SS
0
-5
-10
-15
-20
-25
0
5
10
15
20
25
30
Period