

Economics 613a: Computational Methods for Macroeconomics

Fall 2006

**Assignment 3**

Due: November 14th.

Solve the simple stochastic growth model using the method of parameterized expectations. The method is outlined in den Haan and Marcet (1990) and chapter 7 of Marimon and Scott. Code for generating normally-distributed random numbers using SilverFrost Fortran95 is available on the web page. Submit along with your code a short write-up of the model and the method.