

Notes with QP4FISMO.WQ1

by Willem H. Buiter
8 July 1999
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(1) The spreadsheet is written for **Quattro Pro 4** for DOS. While the spreadsheet calculations work for other spreadsheet programs as well (for instance, Quattro Pro for Windows version 5, Lotus123 for Windows, Version 1) the macros (which govern the printing of the spreadsheet and its components) do not function, as far as I can tell, using the ALT key in any non-Quattro Pro 4 for Dos environments. Windows versions of Quattro Pro should replace the **ALT** key (for the print macros) by the **Ctrl-Shift** keys.

(2) The equations in Table 2 and 3 of the spreadsheet are given again below in the notation of my paper, "Consistency Checks for Fiscal, Financial and Monetary Policy Evaluation and Design", October 6, 1993.

Table 2:

$$\circ_t \equiv \bar{d}_t + \left(\frac{r_t - g_t}{1 + g_t} \right) \bar{b}_{t-1} - \Delta \bar{b}_t \quad (1)$$

$$\bar{d}_t \equiv d_t^a + \left(\frac{r_t^* + \gamma_t + r_t^* \gamma_t - r_t}{1 + g_t} \right) (b_{t-1}^* - \rho_{t-1}^*) \quad (a)$$

$$\bar{b}_t \equiv b_t^a + b_t^* - \rho_t^* \quad (b)$$

$$\Delta (b_t^* - \rho_t^*) \equiv -x_t + z_t^* - n_t^* - dfi_t + div_t + \left(\frac{r_t^* + \gamma_t + r_t^* \gamma_t - g_t}{1 + g_t} \right) (b_{t-1}^* - \rho_{t-1}^* - f_{t-1}^*) + \Delta f_t^* \quad (2)$$

$$\equiv d_t^a + \left(\frac{r_t - g_t}{1 + g_t} \right) b_{t-1}^a + \left(\frac{r_t^* + \gamma_t + r_t^* \gamma_t - g_t}{1 + g_t} \right) (b_t^* - \rho_t^*) - \Delta (b_t^* - \rho_t^*) \quad (3)$$

Note that equation (1) is implied by (a), (b), (2) and (3).

Table 3:

$$\sigma = \bar{d} + \left(\frac{r-g}{1+g} \right) \bar{b} \quad (1)$$

$$\bar{d} = d^a + \left(\frac{r^* + \gamma + r^* \gamma - r}{1+g} \right) (b^* - \rho^*) \quad (a)$$

$$\bar{b} = b^a + b^* - \rho^* \quad (b)$$

$$\sigma = \left(\frac{\pi(1+g) + g}{(1+\pi)(1+g)} \right) h \quad (2)$$

$$h = \alpha_1 - \beta_1 \pi \quad (a)$$

$$\ln(h) = \alpha_2 - \beta_2 \pi \quad (b)$$

$$\ln(h) = \alpha_3 - \beta_3 \ln(1+\pi) \quad (c)$$