

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor

Sergio Ocampo

This document presents a dynamic stochastic general equilibrium model with rule of thumb (Non-Ricardian) agents and both nominal price and wage rigidities. The model follows closely that of Galí et al. (2004) and expands it to include a second way form of heterogeneity (besides the Non-Ricardian agents), namely the nominal wage stickiness á la Calvo, as in Erceg et al. (2000). Special attention is given to the algebraic details of the model. The model is calibrated and its dynamics are explored through the analysis of impulse response functions.

wish to thank Andrés González, Andrés Giraldo and the participants in the seminar of the Economics Department at Javeriana University, they contributed substantially when developing this document with comments and suggestions. Of course, any remaining errors are to be blamed solely on me. The results and opinions below are responsibility of the author and do not compromise in any way Banco de la República or its Board of Directors.