

Policy Analysis Tool Applied to Colombian Needs: PATACON Model Description

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In this document we lay out the microeconomic foundations of a dynamic stochastic general equilibrium model designed to forecast and to advice monetary policy authorities in Colombia. The model is called Policy Analysis Tool Applied to Colombian Needs (PATACON). In companion documents we present other aspects of the model and its platform, including the estimation of the parameters that affect the dynamics and the impulse responses functions.

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