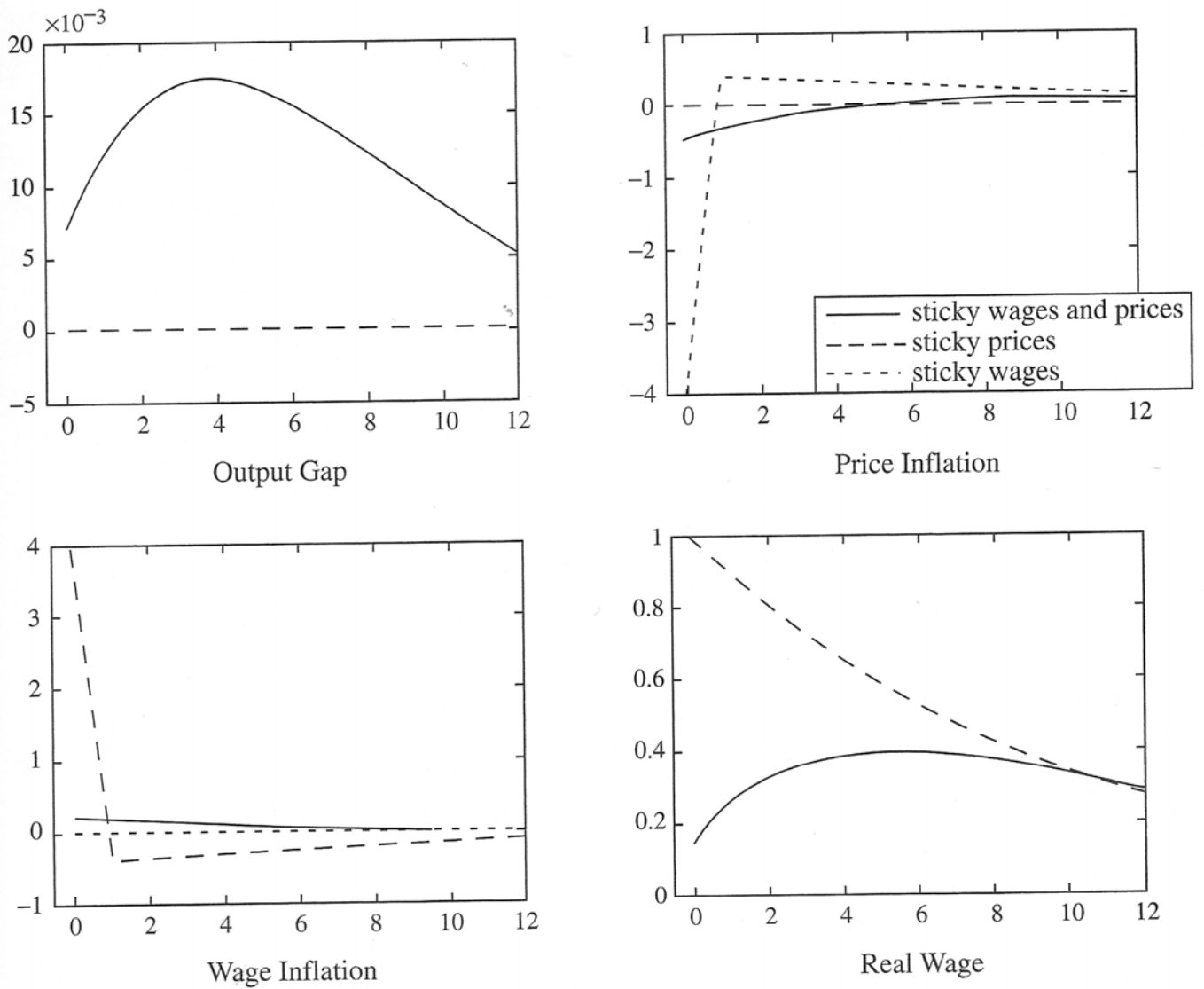


**Figure 6.3** Sticky Wages and the Effects of a Monetary Policy Shock

Consider next the consequences of assuming the presence of sticky wages and



**Figure 6.4** The Effects of a Technology Shock under the Optimal Policy

optimal policy problem. The equilibrium is represented in a compact way under