Problem Set 6: Due Friday, April 23.

1. Splitting the surplus
   For the Mortensen-Pissarides job matching model (with no aggregate shocks), how does changing the surplus split parameter ($\delta$ in class, $\beta$ in the paper) affect the reservation match quality, the surplus function, the four value functions ($J$, $W$, $U$, and $V$), and the stationary distribution of matches? Interpret your results, and explain the intuition behind your results. You may wish to answer this question numerically using the Matlab code mp.m.

2. Ljungqvist-Sargent, pages 615-616, Exercise 19.4 (Exercise 25.4 in the second edition)

3. Ljungqvist-Sargent, pages 618-620, Exercise 19.8 (Exercise 25.8 in the second edition)