

Solutions Manual for
*Recursive Methods
in Economic Dynamics*

CLAUDIO IRIGOYEN

ESTEBAN ROSSI-HANSBERG

MARK L. J. WRIGHT.

Harvard University Press

Cambridge, Massachusetts, and London, England

2002

Contents

Foreword	,•	<i>ix</i>
1 Introduction	;	<i>1</i>
2 An Overview		<i>3</i>
3 Mathematical Preliminaries	•	<i>20</i>
4 Dynamic Programming under Certainty		<i>42</i>
5 Applications of Dynamic Programming under Certainty		<i>53</i>
6 Deterministic Dynamics		<i>80</i>
7 Measure Theory and Integration		<i>98</i>
8 Markov Processes		<i>131</i>
9 Stochastic Dynamic Programming		<i>147</i>
10 Applications of Stochastic Dynamic Programming		<i>171</i>
11 Strong Convergence of Markov Processes		<i>190</i>
12 Weak Convergence of Markov Processes		<i>198</i>
13 Applications of Convergence Results for Markov Processes		<i>212</i>
14 Laws of Large Numbers		<i>234</i>
15 Pareto Optima and Competitive Equilibria		<i>240</i>

Contents

16	Applications of Equilibrium Theory	253
17	Fixed-Point Arguments	270
18	Equilibria in Systems with Distortions	284