Figure 1: The Multiplier in the Dixon-Mankiw Model - Case I

© 2010 Luís F. Costa & Huw David Dixon
\begin{align*}
1. & \quad \mu = \frac{\alpha}{\alpha - \mu} (1 - \mu) Z \\
2. & \quad C = (1 - \mu) (1 - Z) \\
3. & \quad Y = C + G \\
4. & \quad \Pi = \mu Y - (1 - \mu) \pi \Phi
\end{align*}

\textbf{Figure 2: The Multiplier in the Dixon-Mankiw Model - Case II}

© 2010 Luís F. Costa & Huw David Dixon
Figure 3: The Multiplier and the Mark-up in the Dixon-Mankiw Model
Figure 4: The Multiplier with Proportional Taxes
Figure 5: The Free-entry Multiplier of Startz
Figure 6: The Mark-up and the Equilibrium with CES Preferences
Figure 7: The Mark-up and the Multiplier with CES Preferences
Figure 8: The Multiplier with a Varying Real Wage

\[ C = \frac{\alpha}{1-\alpha} \cdot w_0 \cdot Z \]

\[ C = w_0' \cdot (1-Z) - G \]

\[ C, Y \]

\[ 0 \]

\[ Y = C + G \]

\[ Y_0^* = C_0^* \]

\[ Y_1^* = C_1^* \]

\[ Z = 1 - L \]

\[ w = \Omega(Y) \]

\[ w_0^* \]

\[ w_1^* \]

\[ 45^\circ \]

\[ A \]

\[ A' \]

\[ E_0 \]

\[ E_1 \]

\[ E_0' \]

\[ E_1' \]

\[ Y_0^* \]

\[ Y_1^* \]

\[ Y \]

\[ C, Y \]
$Z^* = 1 - L^*$

Figure 9: The Steady-State Equilibrium
Figure 10: The Saddle-Point Stable Equilibrium
Figure 11: Market Power and the Steady-State Equilibrium (I)
Figure 12: Market Power and the Steady-State Equilibrium (II)
Figure 13: Steady-State Equilibrium with Free Entry (I)
Figure 14: Steady-State Equilibrium with Free Entry (II)
Figure 15: Long-Run Effects of Fiscal Policy
© 2010 Luís F. Costa & Huw David Dixon

Figure 16: Short-Run Effects of Fiscal Policy