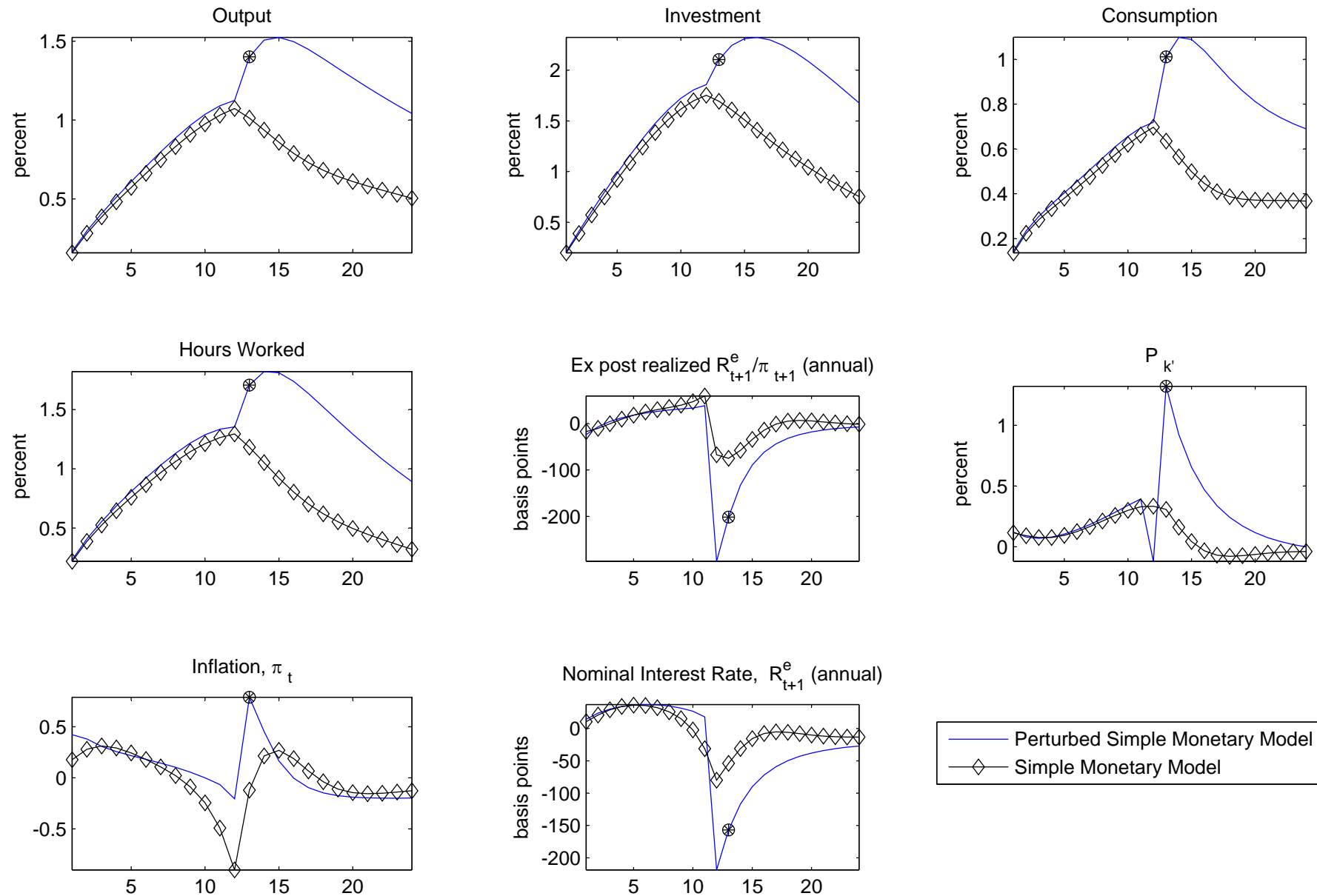


Figure 11: Response of Simple Monetary Model and Perturbed Model to Signal Shock  
 Perturbation -  $\xi_p = 0.01$



Note: subscript on nominal rate of interest indicates date of payoff.  $R_{t+1}^e$  is graphed at date  $t$ .  $\pi_t$  indicates gross change in price level from  $t-1$  to  $t$ .