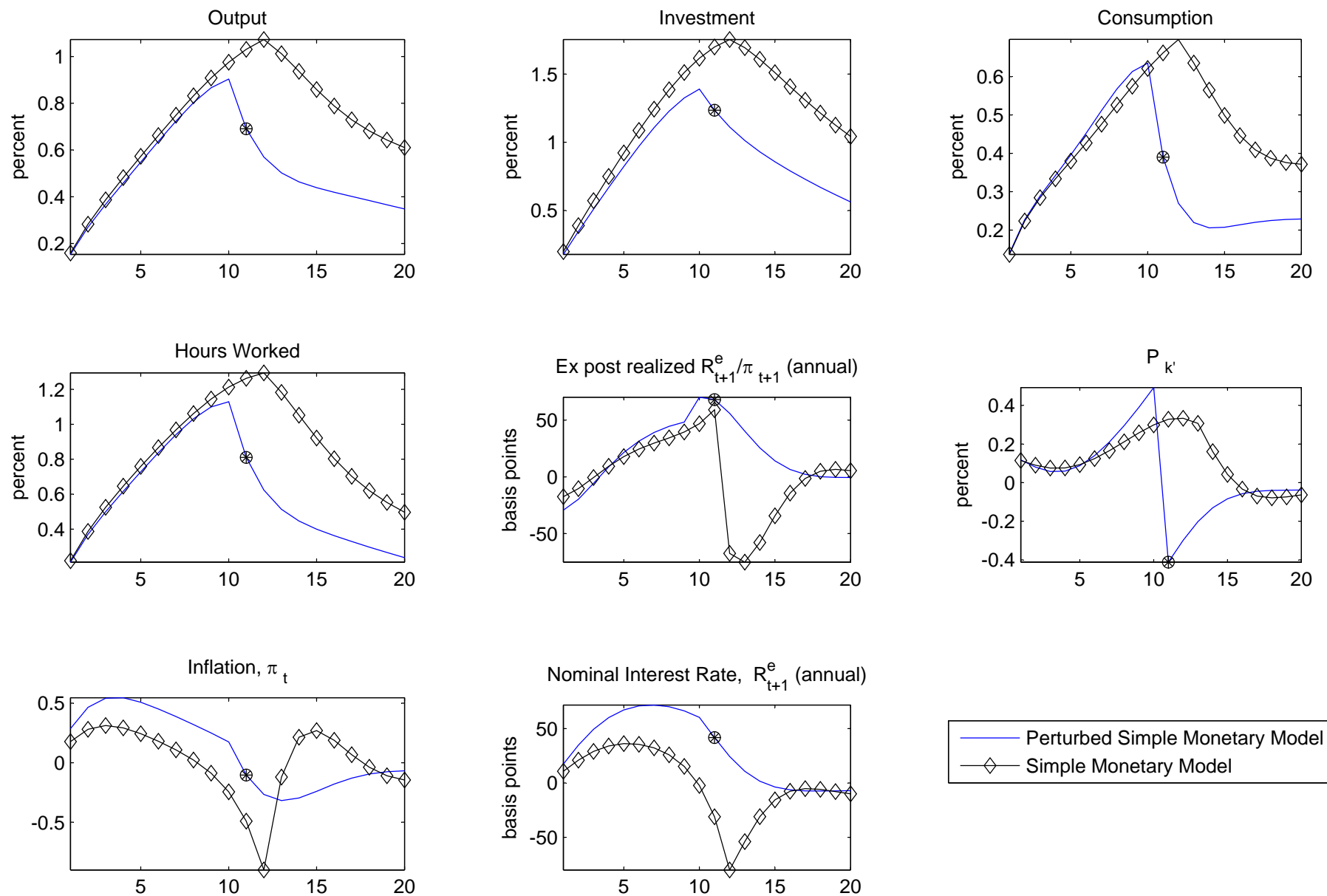


Figure 14: Response of Simple Monetary Model and Perturbed Model to Signal Shock
 Perturbation - 100 Basis Point Negative Policy Shock to Interest Rate in Period 11 that is Not Realized



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