APPENDIX to

"On DSGE Models"

Table 1: Priors and Posteriors of Estimated Parameters in
Christiano, Eichenbaum and Trabandt (2016) Model with Calvo Sticky Wages

	Prior Distribution $\mathcal{D}$,**Mode**,[2.5-97.5%]	Posterior Distribution **Mode**,[2.5-97.5%]
Price and Wage Setting Parameters		
Calvo Price Stickiness, ξ	$\mathcal{B}$,**0.68**,[0.35 0.89]	**0.565**,[0.49 0.68]
Calvo Wage Stickiness, ξ_w	$\mathcal{B}$,**0.78**,[0.41 0.95]	**0.752**,[0.69 0.76]
Gross Price Markup, λ	$\mathcal{G}$,**1.20**,[1.06 1.35]	**1.181**,[1.09 1.27]
Monetary Authority Parameters		
Taylor Rule: Interest Rate Smoothing, ρ_R	$\mathcal{B}$,**0.76**,[0.22 0.96]	**0.796**,[0.76 0.83]
Taylor Rule: Inflation Coefficient, r_π	$\mathcal{G}$,**1.69**,[1.30 2.18]	**1.746**,[1.51 2.06]
Taylor Rule: GDP Gap Coefficient, r_y	$\mathcal{G}$,**0.08**,[0.02 0.32]	**0.012,**[0.00 0.03]
Preferences and Technology Parameters		
Consumption Habit, b	$\mathcal{B}$,**0.50**,[0.12 0.88]	**0.755**,[0.69 0.78]
Capacity Utilization Adjustment Cost, σ_a	$\mathcal{G}$,**0.32**,[0.08 1.90]	**0.161**,[0.05 0.47]
Investment Adjustment Cost, $S^{''}$	$\mathcal{G}$,**3.00**,[0.74 12.7]	**6.507**,[4.43 9.97]
Exogenous Process Parameter		
Std. Deviation Monetary Policy Shock, $400\sigma_R$	$\mathcal{G}$,**0.65**,[0.51 0.81]	**0.673**,[0.57 0.71]

Notes: Posterior mode and parameter distributions based on a standard MCMC algorithm with a total of 1.2 million draws (8 chains with each 150.000 draws, 1/3 of draws used for burn-in, draw acceptance rates about 0.22). $\mathcal{B}$ and $\mathcal{G}$ denote beta and gamma distributions, respectively. Estimation of Christiano, Eichenbaum and Trabandt (2016) model with Calvo sticky wages based on Bayesian impulse response matching to a VAR monetary policy shock. See Christiano, Eichenbaum and Trabandt (2016) for details about the model and parameter notation.

Table 3: Steady States and Implied Parameters at Estimated Posterior Mode
in Christiano, Eichenbaum and Trabandt (2016) Model with Calvo Sticky Wages

Variable	Value
Capital to gross output ratio (quarterly), K/Y	6.71
Consumption to gross output ratio, C/Y	0.58
Investment to gross output ratio, I/Y	0.22
Steady state labor input, l	0.945
Gross nominal interest rate (quarterly), R	1.014
Gross real interest rate (quarterly), R^{real}	1.0075
Marginal cost (inverse price markup), mc	0.85
Capacity utilization cost parameter, σ_b	0.035
Gross output, Y	1.38
Real wage, w	1.10
Inflation target (annual percent), $\overline{\pi}$	2.5
Fixed cost to gross output ratio, ϕ/Y	0.17

Notes: see Christiano, Eichenbaum and Trabandt (2016) for details about the model and parameter notation.