



STAGE_t: Standard Model Checks



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Model Checks

- Check that **VAR WALRAS** is equal to **0**.
- Check that all the **LHS** (left hand sides) are correct
 - search for LHS and then search (from cursor) for(which indicates a problem).
- For additional certainty search for **infes**.
- Model will abort when certain checks fail
 - Extended as different 'issues' are resolved



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Check Initialisation – ASAM1, SAM1

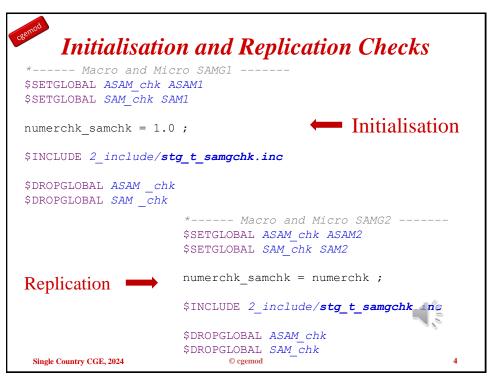
- Check the **initial** values of the variables and parameters are 'correct'
 - Model will abort when **ASAM1** and **SAM1** checks fail
 - Reports will/should help user find the cause
- Aggregated SAM ASAM1
 - CHECK1 all values should equal 0
 - ASAM1CHK all values should equal 1.000
 - DIFFASAM1 all values should equal 0
 - CNTASAM1 all values should equal 0
- Micro SAM SAM1
 - SAM1CHK all values should equal 1.000
 - **DIFFSAM1 all** values should equal **0**
 - CNTSAM1 all values should equal 0
- Use ref file to understand these checks

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Check Replication - ASAM2, SAM2

- Check the **solution** values of the variables and parameters are 'correct'
 - Model will abort when ASAM2 and SAM2 checks fail
 - Reports will/should help user find the cause
- Aggregated SAM **ASAM2**
 - CHECK2 all values should equal 0
 - ASAM2CHK all values should equal 1.000
 - DIFFASAM2 all values should equal 0
 - CNTASAM2 all values should equal 0
- Micro SAM SAM2
 - SAM2CHK all values should equal 1
 - DIFFSAM2 all values should equal 0
 - CNTSAM2 all values should equal 0
- Use ref file to understand these checks

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Numéraire Check

Data entry file

```
* 1bi. Loading a SAM from Excel via GDX
$GDXIN data in.gdx
* Control data
$LOADdc flow cont mod cont
$GDXIN
                    Closure file
                   = WF0(f) * mod_cont("numerchk") ;
WF.LO(f)$UEF(f)
* To use CPI as the numeraire fix CPI
CPI.FX
                    = CPI0 * mod cont("numerchk") ;
* To fix the real exchange rate fix ER and PPI
* PPI.FX
                    = PPI0 * mod cont("numerchk") ;
                   = TEXADJ0 * mod cont("numerchk")
TEXADJ.FX
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```



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Numéraire Check

- Check the model is homogenous degree zero
 - in the 'controls' worksheet change cell **B8** to **2**.
 - doubling the numéraire; what should this do?
- Rerun the program
 - find ASAM2CHK;
 - What should the values be?
 - What are its values?
 - Also look at
 - DIFFASAM2, CNTASAM2, CHECK2
- Use ref file to understand these checks



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Other Checks

- Run a simple experiment
 - Check the results make sense
- Logic
 - Just because the model passes these checks does not mean it is right
 - Check the results are logically consistent



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