

Example: neoclassical1.mod

```
var c k;  
varexo A;  
  
parameters alpha beta delta sigma;  
alpha = 0.3;  
beta = 0.98;  
delta = 0.025;  
sigma = 2;  
  
model;  
c^(-sigma) = beta*c(+1)^(-sigma)  
              *(alpha*A(+1)*k^(alpha-1)+1-delta);  
c+k = A*k(-1)^alpha+(1-delta)*k(-1);  
end;
```

neoclassical1.mod (continued)

```
steady_state_model;  
k = ((1-beta*(1-delta))/(beta*alpha*A))  
      ^ (1/(alpha-1));  
c = A*k^alpha-delta*k;  
end;  
  
initval;  
A=1;  
end;  
  
steady;
```

neoclassical1.mod (continued)

- For now, the only thing that `neoclassical1.mod` does is to check that the steady state solution that you wrote is correct!
- The `steady` command at the end of the file evaluates, checks and displays the value of the steady state as specified in the `steady_state_model` block.