`README.m` – Example 1: Changing priors

What follows assumes you have successfully completed the exercise in the `MODEL` directory. In this example, we make the growth of the average productivity of labor less volatile by reducing the mode and standard deviation of the prior on the variable `std_RES_G`. The necessary changes are:

- `readDefinitions.m` – Change the version, eg `VER1`
- `estimateParams.m` – Change the line E.std_RES_G = [1, 0.01, 3, 1/0.1^2]; to E.std_RES_G = [0.02, 0.01, 3, 1/0.01^2];.

If you wish, add a description to the current version. Open `estimateParams.m` to see how I have done this.

- `printReport.m` – Change the version of the report to the one specified in `readDefinitions.m`.

Now you can run `readModel.m`, `readData.m`, `estimateParams.m` and `printReport.m`.