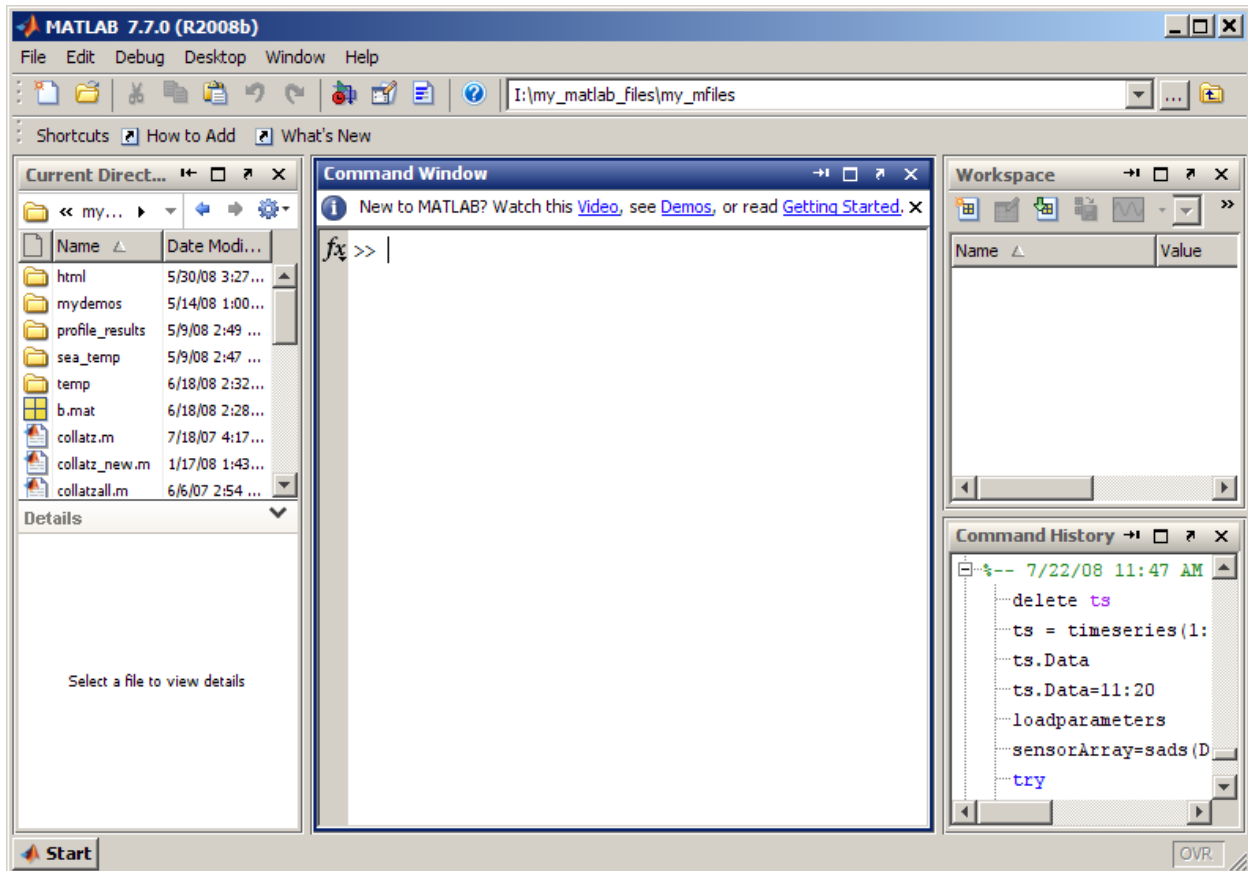


CHAPTER 0. THE BEGINNING

The first time you start the MATLAB program, the desktop appears with the default layout, as shown in the following illustration.



You can change this presentation by clicking on desktop (don't do it now). You first have to create your working directory, for instance D:\Laffargue and set it as the current directory. You have to click in the proper way under the title of the Current Directory window.

Then, you copy the compecon.zip file in the directory of Matlab if you can. If you cannot you copy this file in your personal directory. You unzip this file in the subdirectory compecon.

Some of the files of compecom are written in C. To use them you have to run the file mexall under Matlab. This file is in the subdirectory of compecon called CEtools. You set your current

directory to this subdirectory. You see the list of all the Matlab programs in this directory in the window on the left of this screen. You click on mexall.

Mexall program opens in an editing window. You click on debug, then on run and the program starts running. He asks you which C compiler it must use. You answer by typing 1. Then the program ends running. You can see the result on the command window.

Sometimes Matlab does not find a file it must use. You can correct that by adding a path. You go to File and Set Path. Then you add the path you want to add (in general with its subfolders). Any file you want to work with in MATLAB must either be in the current directory or in a directory on the search path.

In workspace you can read the list of the variables created in your Matlab session. You can click on one of these variables and you will get its values in a spreadsheet. You can edit them (be careful!).

The Matlab Getting Started Guide in the Help of Matlab is excellent. There are also a few videos, which you can reach with the Start button.

In these lectures I will use the book *Applied Computational Economics and Finance*, by Mario J. Miranda and Paul L. Fackler, The MIT Press, 2002. This book is excellent and includes many examples. The file `compecon.zip` comes from the website of this book.

Another good book is *Dynamic Economics. Quantitative Methods and Applications*, by Jerome Adda and Russell Cooper, The MIT Press, 2003. This book focuses more on macroeconomic theory and less on programming than the previous book.