

Economics 511 Problem Set 20  
Linear Second-Order Difference Equations  
Answers

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Solve the following difference equations.

1.  $y_{t+2} - y_t = 0$

2.  $2y_{t+2} - 5y_{t+1} + 2y_t = 4$

3.  $y_{t+2} + 2y_{t+1} + y_t = 16$

4.  $y_{t+2} - 6y_{t+1} + 18y_t = 26$

These are the problems in Exercise 1 (a)-(d) in Section 20.1 of the textbook (page 836). The answers are given in the back of the book. More detailed answers are given in the Student Solutions Manual.