

LIST OF FIGURES

| Figure | Page |
|-------------------------------------------------------------------------------------------------------------|------|
| 4.1 Mechanism of the Model | 68 |
| 4.2 Oil Prices and Headline Inflation..... | 69 |
| 4.3 Oil prices and Interest Rate..... | 69 |
| 4.4 Inflation and Interest rate..... | 70 |
| 5.1 Impulse Response Functions (Base Model)..... | 83 |
| 5.2 Impulse Response Functions (A Case of Low Persistence Coefficient of Oil Prices)..... | 86 |
| 5.3 Impulse Response Functions (A Case of High Adjustment Weight on Past Value of Aggregate Supply)..... | 87 |
| 5.4 Impulse Response Functions (A Case of High Adjustment Weight on Past Value of Aggregate Demand)..... | 88 |