**Fiscal Policy during a Pandemic. Faria-e-Castro (2021)**

The model incorporates an exogenous pandemic into a nonlinear two agents two goods DSGE macro model with financial intermediaries and endogenous firms’ entries and exits. There are different discretionary fiscal policies which are evaluated in the model.

Pandemic part: The pandemic is modeled exogenously. It is a sudden stop of contact-intensive service sector.

Economic part: The model is a two agents (borrowers, savers) two goods DSGE model with financial intermediaries (FIs) as in Gertler, Karadi (2011). Households can be unemployed. Borrowers borrow from FIs, can only consume non-service goods and can default. Savers save in FIs and can consume both goods. Firms are subject to price stickiness (Rotemberg). Service sector firms endogenously exit and enter the market. The government collects taxes (from labor, capital/profits, lump sum), consumes and pays unemployment insurance. It issues government debt. Discretionary fiscal policies: (1) unconditional transfers (2) transfers to service sector firms proportional to wage (3) increase in non-service government consumption (4) increase in unemployment insurance (5) reduction in labor tax.