
```
function y = u(c)
```

```
global ufunction alfacara alfadara f kink sloperatio
```

```
if ufunction == 'C'
```

```
    % CARA utility function
```

```
    % alfacara = absolute risk aversion coefficient.
```

```
    y = -exp(-alfacara*c);
```

```
end
```

```
if ufunction == 'D'
```

```
    % DARA utility function (in fact CRRA)
```

```
    % alfadara = asymptotic relative risk aversion coefficient.
```

```
    % f = outside riskless income of the consumer
```

```
    % we drop the division by 1-alfa which does not affect preferences
```

```
    y = -((c+f).^ (1-alfadara)); % the dot means vector operation ( automatic with +, -, * but not with ^ )
```

```
end
```

```
if ufunction == 'K'
```

```
    % KINKED utility function
```

```
    % kink = wealth at kink
```

```
    % sloperatio = slope below kink / slope above kink
```

```
    y = c - (sloperatio-1)*max(0,kink-c);
```

```
end
```