

Topics covered in Microeconomics II Fall Winter 2009 M.A. I

- A. Notion of Walrasian General Equilibrium: Private ownership economy.
- B. Pure exchange economy: Set up and assumptions.
- C. Free disposal technology model and pathological cases.
- D. Monotonicity assumption and perturbation.
- E. The single good Walrasian general equilibrium (WGE) condition and Walras' Law: Proofs.
- F. Existence of WGE: Gale-Debreu-Nikaido lemma, Proof.
- G. Uniqueness of WGE: strong assumptions, locally unique equilibria with weak Assumptions (finiteness of equilibria); "Almost every" economy has a finite set of equilibria (set of infinite equilibria having null closure), Proof.
- H. Core allocations, Welfare Theorems.

REFERENCES

TOPICS: A, B, C, D, E and F:

Arrow, K. J. and G. Debreu (1954): "Existence of an Equilibrium for a Competitive Economy," *Econometrica*, 22, 265-290.

Mas-Colell, A. (1974): "An Equilibrium Existence Theorem without Complete or Transitive Preferences," *Journal of Mathematical Economics*, 1, 237-246.

McKenzie, L. W. (1959): "On the Existence of General Equilibrium for a Competitive Market," *Econometrica*, 27, 54-71.

Mas-Colell et al : *Microeconomics*, Ch 17.

TOPIC: G

Debreu, G. (1970): "Economies with a Finite Set of Equilibria," *Econometrica*, 38, 387-392.

Debreu, G. (1972): "Smooth Preferences," *Econometrica*, 40, 603-615.

TOPIC: H

Yannelis, N.C. (2003).