

Econ 201C: General Equilibrium and Welfare Economics

Overview of Topics

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1 Overview of Topics

1.1 Standard Model (Debreu)

Price-taking equilibrium, Pareto optimality, replica invariance, welfare theorems, market socialism

1.2 Linear Programming

Primal/Dual inequality, optimality equality, complementary slackness, fundamental theorem of linear programming, subdifferential and directional derivative

1.3 Quasilinear General Equilibrium

Price-taking equilibrium, Pareto optimality/maximum value of an economy, window operator, marginal product of an individual/marginal product inequality, flattening effect of large numbers, convexifying effect of large numbers, perfect competition

1.4 Assignment Model

Double auction model, assignment model as a linear programming problem

1.5 Occupational Choice Model

Occupational (Nash) equilibrium, Pareto optimality, full appropriation, no complementarities

1.6 Externalities/Public Goods and Lindahl Equilibrium

Real/pecuniary externalities, the Pigovian heuristic, externalities as special cases of public goods, Lindahl equilibrium, efficiency with respect to public goods

1.7 Mechanism Design

Direct mechanism, qualified efficiency (efficiency with respect to non-money commodity), budget balancing, non-manipulability, utility rights, impossibility theorem