
Items shown with a bullet (•) are required reading for Economics 200B. Items shown with an asterisk (*) on the syllabus were once designated by the UCSD Economics faculty as sufficient preparation for the qualifying examination in microeconomics for these topics. *-designated material overlaps and extends •-designated material; suggestion: read both. Material denoted by a dagger (†) is intended to provide additional depth and breadth for the topic presented but is not intended to appear on a class or qualifying examination.

There will be weekly problem sets required. There will be a take-home midterm and take-home final exam.

I. The Robinson Crusoe model; the Edgeworth Box in Consumption and Factor allocation

  • Starr, General Equilibrium Theory: An Introduction (draft second edition), Foreword, Chapters 1 – 5.
  *Mas-Colell, Whinston, and Green, chap. 15
  *Varian, chap. 17
  †Nicholson, W., Microeconomic Theory: Basic Principles and Extensions, 2nd ed. chap 20, including appendices.
  †Arrow, K. J., and F. H. Hahn, General Competitive Analysis, chap 1.
II. Partial Equilibrium, Comparative Statics
•*Mas-Colell, Whinston, and Green, section 10.C. Appendix M.E
*Kreps, sections 8.1 - 8.3

III. A quasi-linear model: Consumer Surplus and Compensation Tests
•*Mas-Colell, Whinston, and Green, chap. 10. Appendix M.E
*Varian, chaps. 10, 13
*Kreps, sections 8.1 - 8.3
• Feldman Ch. 7
*Starrett, Foundations of Public Economics, chap. 14

IV. Externalities
•Laffont Ch. 1, secs. 1.1-1.5
*Varian Ch. 24
*Mas-Colell, Whinston & Green Ch. 11
† Cornwall, R. R., Introduction to the Use of General Equilibrium Analysis, chap. 6

V. Public Goods
• Laffont Ch. 2, sees. 2.1-2.4; Ch. 3, sees. 3.1-3.3
*Feldman Ch. 6
*Varian Ch. 23
*Mas-Colell, Whinston & Green Ch. 11
† Starrett, D.A., Foundations of Public Economics, section 16.3

VI. The Arrow-Debreu Model of Competitive Equilibrium - Definition and Existence
• Arrow-Hahn, chap. 7, appendix B.4.
*Mas-Colell, Whinston, and Green, Appendix M.I, chap. 17
*Varian, chap. 17, 18
*Kreps, sections 6.1 - 6.4
Douglas Gale, "Bargaining and Competition Part I: Characterization" \\
†Arrow - Hahn, chapter 2.

### VII. Efficiency of Competitive Equilibrium, Fundamental Theorems of Welfare Economics

  *Mas-Colell, Whinston, and Green, Appendix M.G, chap. 16
  *Varian, chap. 17, 18
  †Arrow-Hahn, section 4-4

### VIII. Time and Uncertainty -- futures markets

• Debreu, G. *Theory of Value*, chapters 2, 7.
  *Mas-Colell, Whinston, and Green, chap. 19
  *Varian, chap. 19
IX. Core of a Market Economy

• Starr, General Equilibrium Theory: An Introduction (second edition), chaps. 21, 22, section 8.2.
  • Ichiishi, T., Game Theory for Economic Analysis, sections 5.5, 5.6, and pp. 24, 25.
  * Mas-Colell, Whinston, and Green, chap. 18
  * Varian, section 21.1
  * Kreps, section 8.4
  † Cornwall, R. R., Introduction to the Use of General Equilibrium Analysis, chap. 5
  † Arrow-Hahn, chapter 8.

X. Social Welfare Functions and Social Choice Theory

• Varian, ch. 17
• Feldman Ch. 9, 10
• Sen, Amartya K., Collective Choice and Social Welfare, chaps. 3, 3*
• Arrow & Scitovsky, AEA Readings on Welfare Economics, Arrow, "A Difficulty in the Concept of Social Welfare"
  * Mas-Colell, Whinston & Green Ch. 21
  * Mas-Colell, Whinston & Green 22A-C

XI. Second-Best Allocation Mechanisms: Equity, Efficiency, and Government Revenue

• Varian Ch. 22
• Auerbach, A., Handbook of Public Economics, v.1, ch. 2, "The Theory of Excess Burden and Optimal Taxation"
  * Mas-Colell, Whinston & Green Ch. 22A-C

XII. The Space of Economies and Equilibria, Computation of Equilibria

• Mas-Colell, Whinston & Green, ch. 17.D, 17.E

XIII. Why do we do general equilibrium theory and welfare economics?
A. The marginal cost pricing controversy

B. Method
• Starr, *General Equilibrium Theory: An Introduction* (second edition), chap. 27
† Hahn, F.H., *On the Notion of Equilibrium in Economics*.
† McKenzie, L.W., "General Equilibrium," *The New Palgrave*.