Economics 603                  Spring 2006
Microeconomic Analysis

General Equilibrium – Part I

Instructor: Harvey Lapan 283 Heady Hall (294-5971)  hlapan@iastate.edu
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Classes:
<table>
<thead>
<tr>
<th>Type</th>
<th>Days</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lectures</td>
<td>M and W</td>
<td>10:00 am-12:00 noon</td>
<td>272 Heady Hall</td>
</tr>
<tr>
<td>Discussion</td>
<td>F</td>
<td>12:10 – 1:00 pm</td>
<td>272 Heady Hall</td>
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Office hours:
- Lapan  M and W 2:00-4:00pm (feel free to make an appointment for another time)
- Gao W 12:00-2:00 pm and F 10:00-11:00am

Grades:
- 20% problem sets
- 80% final exam (covering general equilibrium)

Prof. Zhao teaches the second half (game theory) of the class. Your grade for each half will be weighted equally. Prof. Zhao and I will jointly determine your final grade based upon your grade for each half of the course.

Homework:
Homework will be handed out in class and should be submitted in class. You may work with other students, but the worked submitted should be your own and not a copy of someone else’s work.

Exam:
The exam for my part of the course will be in the evening, at a date and time to be arranged (in the week before, or immediately after, Spring break).

Required textbook:

Other Reference Books for general equilibrium:

Note: Books are available in the main library reserve room. The articles listed are available through JSTOR (http://www.jstor.org/cgi-bin/jstor/listjournal#Economics).
Outline and Reading List – General Equilibrium

I. General Equilibrium Analysis - Exchange Economy
   Mas-Colell, Whinston and Green, Chapter 15, pp. 515-524
   Arrow & Hahn, Chapter 4
   Varian, Chapter 17

II. General Equilibrium Analysis - Existence in a Production Economy
   Mas-Colell, Whinston and Green, Chapter 15, 525-540; Chapter 17, 578-588.
   Jehle & Reny, Chapter 7
   Arrow & Hahn, Chapters. 2, 3 & 5.
   Varian, Chapter 18

III. Fundamental Welfare Theorems
   Mas-Colell, Whinston and Green, Chapter 16
   Varian, Chapters 17 & 18

IV. Welfare Analysis: Public Goods, Externalities and Market Failures
   Mas-Colell, Whinston and Green, Chapter 11
   Mas-Colell, Whinston and Green, Chapter 10, pp. 311-334.
   Varian, Chapters 23 & 24

V. General Equilibrium: Uncertainty and Time
   Varian, Chapters 19 & 20
   Mas-Colell, Whinston and Green, Chapter 19 (pp. 687-708) & Chapter 20 (pp. 732-753)

VI. Social Choice and Welfare
   Mas-Colell, Whinston and Green, Chapter 21.
   Varian, Chapter 22.
   Jehle & Reny, Chapter 8.

VII. Equilibrium Analysis (Core, Nonconvexity, Uniqueness)
   Mas-Colell, Whinston and Green, Chapter 17 (606-630) and Chapter 18 (pp. 652-660).
   Arrow & Hahn, Chapters 7-9.
   Varian, Chapter 21.