Economics 603
Microeconomic Analysis

General Equilibrium – Part II

Instructor: Harvey Lapan 283 Heady Hall (294-5971) hlapan@iastate.edu

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Classes: Lectures M and W 11:00am - 1:00 pm 162 Heady Hall
Discussion F 11:00 – 12:00 pm 162 Heady Hall

Office hours: Lapan T and Th 1:30-3:00pm
(feel free to make an appointment for another time)
Yerokhin: M and W 1:00-2:30 pm

Grades: 40% problem sets
60% final exam (covering general equilibrium)

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.

Required textbooks:

Varian, H., Microeconomic Analysis, Norton, 1992 (3rd ed.)


Other Reference Books for general equilibrium:


(Handbook in list below)

Note: These books are available in Reserve in the Economics Reading Room, 368 Heady Hall.
Course Outline and Reading List – General Equilibrium

I. Introduction
Mas-Colell, Whinston and Green, Chapter 10, pp. 311-334.

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

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

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

V. Welfare Analysis: Public Goods, Externalities and Market Failures
Varian, Chapters 23 & 24
Mas-Colell, Whinston and Green, Chapter 11
Handbook, Chapter 25

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

Varian, Chapters 19 & 20
Mas-Colell, Whinston and Green, Chapter 19 (pp. 687-708) & Chapter 20 (pp. 732-753)

VIII. Social Choice and Welfare

Mas-Colell, Whinston and Green, Chapter 21.
Varian, Chapter 22.
Jehle, Chapter 8.