

## Reading Lists

The following is a list of good references for you to write term paper. Your TA, **Eko Atmadji**, has kindly rewritten them based on suggested readings in Mas-Colell text (for relevant chapters we cover in this semester) with some additions and adjustments, subject to availability via Department of Economics, University of Indonesia. Good luck with your papers.

### Arianto A. Patunru

#### X. COMPETITIVE MARKETS

Vives, 1987, "Small Income Effects: A Marshallian Theory of Consumer Surplus and Downward Sloping Demand", *Review of Economic Studies*, 54, 87-103

#### XV. GENERAL EQUILIBRIUM THEORY: SOME EXAMPLES

Bradford, 1978, "Factor Prices May Be Constant But Factor Returns Are Not", *Economic Letters*, 199-203

#### XVI. EQUILIBRIUM AND ITS BASIC WELFARE PROPERTIES

Lange, O, 1942, "The Foundation of Welfare Economics", *Econometrica*, 10, 215-228

#### XVII. THE POSITIVE THEORY OF EQUILIBRIUM

Arrow and Debreu, 1954, "Existence of Equilibrium for A Competitive Economy", *Econometrica*, 22, 265-290

Becker, 1962, "Irrational Behavior And Economic Theory", *Journal of Political Economy*, 70, 1-13

Chipman, J, 1970, "External Economies of Scale and Competitive Equilibrium", *Quarterly Journal of Economics*, 84, 347-385

Debreu, 1970, "Economies with A Finite Set of Equilibria", *Econometrica*, 38, 387-392

Dierker, 1972, "Two Remarks on The Number of Equilibria of An Economy", *Econometrica*, 40, 951-953

Kehou, 1985, "Multiplicity of Equilibrium And Comparative Static", *Quarterly Journal of Economics*, 100, 119-148

McKenzie, 1959, "On The Existence of General Equilibrium for A Competitive Market", *Econometrica*, 27, 54-71

Milgrom and Shannon, 1974, "Monotone Comparative Static", *Econometrica*, 62, 157-180

Saari and Simon, 1978, "Effective Price Mechanisms", *Econometrica*, 46, 1097-1125

Shafer, 1974, "The Non Transitive Consumer", *Econometrica*, 42, 913-919

Starr, 1969, "Quasi-Equilibria in Markets with Non-Convex Preferences", *Econometrica*, 37, 25-38

Varian, 1977, "Non Walrasian Equilibria", *Econometrica*, 45, 573-590

Debreu, 1974, "Excess Demand Functions", *Journal of Mathematical Economics*, 1, 15-21

- Gale, D and Mas-Colell, 1975, "An Equilibrium Existence Theorem For A General Model Without Ordered Preferences", *Journal of Mathematical Economics*, 2, 9-15
- Grandmont, JM, 1992, "Transformations of The Commodity Space, Behavioral Heterogeneity, and The Aggregation Problem", *Journal of Economic Theory*, 57, 1-35
- Mantel, 1974, "On The Characterization of Aggregate Excess Demand", *Journal of Economic Theory*, 7, 348-353
- Mantel, 1976, "Homothetic Preferences And Community Excess Demand Function", *Journal of Economic Theory*, 12, 197-201
- Mas-Colell, 1977, "On The Equilibrium Price Set of An Exchange Economy", *Journal of Mathematical Economy*, 4, 117-126
- Negishi, 1960, "Welfare Economics And Existence of An Equilibrium for A Competitive Economy", *Metroeconomica*, 12, 92-97
- Sonnenschein, 1973, "Do Walras' Identity And Continuity Characterize The Class of Community Excess Demand Functions", *Journal of Economic Theory*, 6, 345-354
- Smale, 1976, "A Convergent Process of Price Adjustment And Global Newton Method", *Journal of Mathematical Economics*, 3, 107-120

#### XVIII. SOME FOUNDATIONS FOR COMPETITIVE EQUILIBRIA

- Anderson, 1978, "An Elementary Core Equivalence Theorem", *Econometrica*, 46, 83-87
- Aumann, 1964, "Markets with A Continuum Traders", *Econometrica*, 32, 39-50
- Aumann, 1975, "Values Markets with A Continuum Traders", *Econometrica*, 43, 611-643
- Debreu and Scarf, 1963, "A Limit Theorem on The Core of An Economy", *International Economic Review*, 4, 235-246
- Schmeidler and Vind, 1972, "Fair Net Trades", *Econometrica*, 40, 637-647
- Shapley and Shubik, 1977, "Trade Using A Commodity As A Means of Payment", *Journal of Political Economy*, 85, 937-968
- Vind, 1964, "Edgeworth Allocations in An Exchange Economy with Many Traders", *International Economic Review*, 5, 165-177
- Champsaur and Laroque, 1981, "Fair Allocation in Large Economics", *Journal Economic Theory*, 25, 269-282
- Hart, 1980, "Perfect Competition And Optimal Product Differentiation", *Journal Economic Theory*, 22, 165-199
- Novshek and Sonnenschein, 1978, "Cournot And Walrasian Equilibrium", *Journal Economic Theory*, 19, 223-266
- Varian, 1976, "Two Problems in The Theory of Fairness", *Journal of Public Economics*, 5, 249-26-

#### XIX. GENERAL EQUILIBRIUM UNDER UNCERTAINTY

- Arrow, 1964, "The Role of Securities in The Optimal Allocation of Risk-Bearing", *Review of Economic Studies*, 31, 91-96
- Cass and Shell, 1983, "Do Sunspots Matter?", *Journal of Political Economy*, 91, 193-227
- Diamond, 1967, "The Role of Stock Market in A General Equilibrium Model with Technological Uncertainty", *American Economic Review*, 57, 759-776

- Grossman, 1977, "The Existence of Future Markets, Noisy Rational Expectations And Informational Externalities", *Review of Economic Studies*, 44, 431-449
- Grossman, 1981, "An Introduction to The Theory of Rational Expectations Under Asymmetric Information", *Review of Economic Studies*, 48, 541-559
- Grossman and Stiglitz, 1976, "Information And Competitive Price Systems", *American Economic Review*, 66, 246-253
- Hirshleifer, 1973, "Where Are We in The Theory of Information?", *American Economic Review, Papers and Preceedings*, 63, 31-40
- Hart, 1975, "On The Optimality of Equilibrium When The Market Structure Is Incomplete", *Journal of Economic Theory*, 11, 418-443
- Lucas, 1975, "Expectations And Neutrality of Money", *Journal of Economic Theory*, 4, 103-443

## XX. EQUILIBRIUM AND TIME

- Barro, 1989, "The Ricardian Approach to Budget Deficit", *Journal to Economic Perspectives*, 3, 37-54
- Brock and Burmeister, 1976, "Regular Economies and Conditions for Uniqueness of Steady States in Optimal Multisector Economic Model", *International Economic Review*, 17, 105-120
- Kehoe and Levine, 1985, "Comparative Statics and Perfect Foresight", *Econometrica*, 53, 433-454
- Koopmans, 1960, "Stationary Ordinal Utility and Impatience", *Econometrica*, 28, 287-309
- Malinvaud, 1953, "Capital Accumulation And Efficient Allocation of Resources", *Econometrica*, 21, 223-268
- Ramsey, 1928, "A Mathematical Saving", *Economic Journal*, 38, 543-549
- Samuelson, 1958, "An Exact Consumption Loan Model of Interest without The Social Contrivance of Money", *Journal of Political Economy*, 66, 467-482
- Santos, 1991, "Smoothness of The Policy Function in Discrete Time Economic Models", *Econometrica*, 59, 1365-1382
- Solow, 1956, "A Contribution to The Theory of Economic Growth", *Quarterly Journal of Economics*, 70, 65-94
- Uzawa, 1964, "Optimal Growth in A Two-Sector Model of Capital Accumulation", *Review of Economic Studies*, 31, 1-24
- Cass, 1972, "On Capital Overaccumulation in The Aggregative, Neoclassical Model of Economic Theory: A Complete Characterization", *Journal of Economic Theory*, 4, 200-223
- Deneckere and Pelikan, 1986, "Competitive Chaos", *Journal of Economic Theory*, 40, 13-25
- Gale, 1973, "On The Interest", *American Mathematical Monthly*, 88, 853-868
- Swan, 1956, "Economic Growth And Capital Accumulation", *Economic Record*, 32, 334-361
- Wilson, 1981, "Equilibrium in Dynamic Models with An Infinity of Agents", *Journal of Economic Theory*, 24, 95-111

## XXI. SOCIAL CHOICE THEORY

- Caplin and Nalebuff, 1988, "On 64% Majority Voting" *Econometrica*, 56, 787-814
- Grandmont, 1978, "Intermediate Preferences And Majority Rules", *Econometrica*, 46, 317-330

- May, 1952, "A Set of Independent, Necessary, and Sufficient Conditions for Simple Majority Decision", *Econometrica*, 20, 680-684
- Sen, A, 1986, "Social Choice Theory", Chp 22 in *Handbook of Mathematical Economics*, edited by Arrow and Intrilligator, Elsevier, Amsterdam

## XXII. ELEMENTS OF WELFARE ECONOMICS AND AXIOMATIC BARGAINING

- d'Aspremont and Gevers, 1977, "Equity and The Informational Basis of Collective Choice", *Review of Economic Studies*, 44, 199-209
- Bergson, 1938, "A Reformulation of Certain Aspects of Welfare Economics", *Quarterly Journal of Economics*, 52, 310-334
- Harsanyi, 1955, "Cardinal Welfare, Individual Ethics, and Interpersonal Comparability of Utility", *Journal of Political Economy*, 61, 309-321
- Kalai and Smorodinsky, 1975, "Other Solution's of Nash Bargaining Problem", *Econometrica*, 43, 513-518
- Lipsey and Lancaster, 1956, "The General Theory of Second Best", *Review of Economic Studies*, 24, 11-32
- Lensberg, 1987, "Stability and Collective Rationality", *Econometrica*, 55, 935-962
- Maskin, 1978, "A Theorem on Utilitarianism", *Review of Economic Studies*, 42, 93-96
- Nash, 1950, "The Bargaining Problem", *Econometrica*, 28, 155-162
- Ramsey, 1927, "A Contribution to The Theory of Taxation", *Economic Journal*, 37, 47-61
- Roberts, 1980, "Possibility Theorems with Interpersonal Comparability of Welfare Level", *Review of Economic Studies*, 47, 409-420
- Sen, 1977, "On Weights and Measures Informational Constraints in Social Welfare Analysis", *Econometrica*, 45, 1539-1572
- Boix, M, 1956, "Sur La Gestion Des Monopoles Publiques Astreints a l'equilibre budgetaire", *Econometrica*, 24, 22-40, [translated in *Journal of Economic Theory*, 1991, 3, 219-240]

## X. COMPETITIVE MARKETS

- Stigler, G and G. Becker, 1977, "De Gustibus Non Est Disputandum", *American Economic Review*, 76 – 90
- Clark, 1940, "Toward A Concept of Workable Competition", *American Economic Review*,
- McNulty, 1967, "A Note on The History of Perfect Competition", *Journal of Political Economy*, 395-399
- Robinson, Joan, 1934, "What is Perfect Competition?", *QJE*, 104-120
- Stigler, 1957, "Perfect Competition, Historical Contemplated", *JPE*, 1-17
- Sosnick, 1957, "A Critique of Concepts of Workable Competition", *JPE*

## XV. GENERAL EQUILIBRIUM THEORY: SOME EXAMPLES

- Scitovsky, T, 1941, "A Note on Welfare Proposition in Economics", *Review of Economic Studies*
- Hotelling, H, 1931, "The Economics of Exhaustible Resource", *Journal of Political Economy*, 137-175
- Wald, A, 1951, "On Some Systems of Equations in Mathematical Economics", *Econometrica*, 19, 368-403

Bator, 1957, "The Simple Analytics of Welfare Maximization", *AER*, 47  
Koopmans, 1974, "Is The Theory of Competitive Equilibrium with It?", *AER*, 64.

## XVI. EQUILIBRIUM AND ITS BASIC WELFARE PROPERTIES

Hicks, John R., 1939, "The Foundations of Welfare Economics", *Economic Journal*.  
Hotelling, H, 1929, "Stability in Competition", *Economic Journal*, 41-57  
Coddington, A, 1975, "The Rationale of General Equilibrium Theory", *Economic Inquiry*, 539-558  
Debreu and Scarf, 1953, " A Limit Theorem on The Core of An Economy", *International Economic Review*, 4, 235-246.

## XVII. THE POSITIVE THEORY OF EQUILIBRIUM

Coase, R., 1960, "The Problem of Social Cost", *Journal of Law and Economics*  
Turvey, 1963, "On Divergence Between Social and Private Cost", *Economica*, 30.  
Calabresi, 1968, "Transaction Costs, Resource Allocation and Liability Rules", *The Journal of Law and Economics*, 21.

## XVIII. SOME FOUNDATIONS FOR COMPETITIVE EQUILIBRIA

### XIX. GENERAL EQUILIBRIUM UNDER UNCERTAINTY

Lintntner, 1965, "The Valuation of Risk Assets and The Selection of Risky Investments in Stock Portfolios and Capital Budget", *Review of Economic Studies*, 47, 13-37.  
Sharpe, 1964, "Capital Asset Prices: A Theory of Market Equilibrium Under Condition of Risk", *Journal of Finance*, 19, 425 – 442  
Ross, 1977, "Capital Asset Pricing Model, Short Sale Restrictions and Related Issues", *Journal of Finance*, 33, 177-183  
Ross, 1978, "A Simple Approach to the Valuation of Risky Streams", *The Journal of Business*, 51, 453 – 475

## XX. EQUILIBRIUM AND TIME

### XXI. SOCIAL CHOICE THEORY

Bowen, HR, 1943, "The Intepretation of Voting: The Allocation of Economic Resource", *Quarterly Journal of Economics*, 27-48  
Sen, AK, 1970, "The Impossibility of Paretian Liberal", *Journal of Political Economy*, 78, 152-157  
Blackorby, Donaldson, Weymark, 1984, "Social Choice With Interpersonal Utility Comparisons: A Diagramatic Introduction", *International Economic Review*

## XXII. ELEMENTS OF WELFARE ECONOMICS AND AXIOMATIC BARGAINING

- Coddington, A, 1975, "The Rationale of General Equilibrium Theory, *Economic Inquiry*, 539-558
- Calabresi, 1968, "Transaction Costs, Resource Allocation and Liability Rules", *The Journal of Law and Economics*, 21.
- Coase, R., 1960, "The Problem of Social Cost", *Journal of Law and Economics*

### Suggested additions

1. Hicks, John R., 1939, "The Foundations of Welfare Economics", *Economic Journal*.
2. Scitovsky, T, 1941, "A Note on Welfare Proposition in Economics", *Review of Economic Studies*
3. Coase, R., 1960, "The Problem of Social Cost", *Journal of Law and Economics*
4. Hotelling, H, 1929, "Stability in Competition", *Economic Journal*, 41-57
5. Hotelling, H, 1931, "The Economics of Exhaustible Resource", *Journal of Political Economy*, 137-175
6. Coddington, A, 1975, "The Rationale of General Equilibrium Theory, *Economic Inquiry*, 539-558
7. Stigler, G and G. Becker, 1977, "De Gustibus Non Est Disputandum", *American Economic Review*, 76 – 90
8. Bowen, HR, 1943, "The Interpretation of Voting: The Allocation of Economic Resource", *Quarterly Journal of Economics*, 27-48
9. Sen, AK, 1970, "The Impossibility of Paretian Liberal", *Journal of Political Economy*, 78, 152-157
10. Wald, A, 1951, "On Some Systems of Equations in Mathematical Economics", *Econometrica*, 19, 368-403
11. Debreu and Scarf, 1953, "A Limit Theorem on The Core of An Economy", *International Economic Review*, 4, 235-246.
12. Blackorby, Donaldson, Weymark, 1984, "Social Choice With Interpersonal Utility Comparisons: A Diagrammatic Introduction", *International Economic Review*
13. Turvey, 1963, "On Divergence Between Social and Private Cost", *Economica*, 30.
14. Calabresi, 1968, "Transaction Costs, Resource Allocation and Liability Rules", *The Journal of Law and Economics*, 21.
15. Lintner, 1965, "The Valuation of Risk Assets and The Selection of Risky Investments in Stock Portfolios and Capital Budget", *Review of Economic Studies*, 47, 13-37.
16. Sharpe, 1964, "Capital Asset Prices: A Theory of Market Equilibrium Under Condition of Risk", *Journal of Finance*, 19, 425 – 442
17. Ross, 1977, "Capital Asset Pricing Model, Short Sale Restrictions and Related Issues", *Journal of Finance*, 33, 177-183
18. Ross, 1978, "A Simple Approach to the Valuation of Risky Streams", *The Journal of Business*, 51, 453 – 475
19. Clark, 1940, "Toward A Concept of Workable Competition", *American Economic Review*,
20. McNulty, 1967, "A Note on The History of Perfect Competition", *Journal of Political Economy*, 395-399

21. Robinson, Joan, 1934, "What is Perfect Competition?", *QJE*, 104-120
22. Stigler, 1957, "Perfect Competition, Historical Contemplated", *JPE*, 1-17
23. Sosnick, 1957, "A Critique of Concepts of Workable Competition", *JPE*
24. Bator, 1957, "The Simple Analytics of Welfare Maximization", *AER*, 47
25. Koopmans, 1974, "Is The Theory of Competitive Equilibrium with It?", *AER*, 64.