

MAICH COURSE

Resource and Welfare Economics 26 – 30 November 2007

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I. Production Resource Allocation Decisions: Gravelle & Rees: Chapters 6 & 7

Optimum resource allocation in single and multi-product firms,
derived input demand and
product supply functions.

II. Pareto Optimality: Just, Hueth & Schmitz, Chapter 2; Gravelle & Rees Chapter 17 Silberberg, Chapter 17 (pp. 573-596)

The Pareto criterion,
Exchange efficiency,
Production efficiency.

III. The Compensation principle: Just, Hueth & Schmitz, Chapter 3; Gravelle & Rees, Chapter 17

Compensation principle,
Potential welfare criterion,
Social welfare function.
Producer surplus,
Consumer surplus:
Social surplus.

IV. Productivity Measurement and Producer Efficiency:

Coelli, Rao, & Battese, G.E.: Chapter 6.
Oskam and Stefanou
Allocative, Technical and Scale Efficiency
Productivity Growth and its decomposition

References:

Coelli, T.J., Rao, D.S.P., and C.J., Battese, G.E. (1998). *An Introduction to Efficiency and Productivity Analysis*, Kluwer.

Just, R.E., D.L. Hueth and A. Schmitz (1982). *Applied Welfare Economics and Public Policy*, Prentice Hall.

Oskam, A. and S. E. Stefanou (1997), The CAP and technological change, in *The CAP and the World Economy*, edited by Christopher Ritson, CAB International Publishers, pp. 191-224.

Silberberg, E. (1990) *The Structure of Economics: A Mathematical Analysis*, McGraw-Hill. (more advanced)

Gravelle, H. and R.Rees (1981). *Microeconomics*, Longman.