

Faculty of Economic, Social and Political Sciences



ECON2244 General Equilibrium Theory

[30h] 4 credits

This course is taught in the 1st semester

Teacher(s): François Maniquet
Language: French
Level: Second cycle

Aims

- An understanding of the existence and effectiveness of competitive balances.
- An understanding of the notion of perfect competition in the light of the outcomes of the kernel and of strategic balances towards competitive balances.
- An analysis of the ineffectiveness of competitive balances in economies with incomplete markets and/or asymmetrical information.

Main themes

The course aims to present the central ideas of the General Equilibrium Theory.

The first part of the course is given over to an examination of the basic Arrow-Debreu model and its basic properties.

The second part aims to demonstrate the model's usefulness and limitations as a point of departure for addressing issues linked to time and uncertainty.

Content and teaching methods

Content

A. The basic model

Goods, preferences, negotiations. Optimality, kernel and balance in the case of transferable utility. Competitive balance: definition and examples. Existence. Effectiveness and decentralisation. Convergence of the kernel. Market games. Production.

B. Time and uncertainty

Contingent goods. Dynamic economies. Financial assets. Incomplete markets. Asymmetrical information.

Methods

Formal analysis of hypotheses, outcomes and central arguments of the theory. Study of simple examples.

Other information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

Two-year degree courses in Economic Sciences.

Written examination at the end of the course.

J M Tallon, 1997, 'Équilibre général: une introduction', Vuibert.

Programmes in which this activity is taught

ECON2M	Maîtrise en sciences économiques
ECON2M1	Master en sciences économiques, orientation générale
MAP2	Ingénieur civil en mathématiques appliquées

Other credits in programs

MAP22	Deuxième année du programme conduisant au grade d'ingénieur civil en mathématiques appliquées	(3 credits)
MAP23	Troisième année du programme conduisant au grade d'ingénieur civil en mathématiques appliquées	(3 credits)
MATH22/E	Deuxième licence en sciences mathématiques (Economie mathématique)	(4 credits)