Modern Microeconomics Second Edition A. Koutsoyiannis International Edition

Scanned by TapScanner

Contents

treface to the Second Edition		XV
	PART ONE	
	THE BASIC TOOLS OF ANALYSIS	
1	INTRODUCTION	3
	I Economic Models	3
	II Classification of Markets	4
1	II The Concept of an 'Industry'	7
	A. The Importance of the Concept of an 'Industry'	7
	B. Criteria for the Classification of Firms into Industries	8
2 7	THEORY OF DEMAND	13
	I Theory of Consumer Behaviour	13
	A. The Cardinal Utility Theory	14
	B. The Indifference Curves Theory	17
	C. The Revealed Preference Hypothesis	28
	D. The Consumers' Surplus	32
	E. Some Applications of Indifference Curves Analysis	35
	II The Market Demand	44
	A. Derivation of the Market Demand	45
	B. Determinants of Demand	46
	C. Elasticities of Demand	50
	D. Market Demand, Total Revenue and Marginal Revenue	53
11	Recent Developments in the Theory of Market Demand	53
	A. The Pragmatic Approach to Demand Analysis	58
	B. Linear Expenditure Systems	60
I	V The Demand for the Product of a Firm	60
Т	HEORY OF PRODUCTION	67
	I The Production Function for a Single Product	67
	是一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个	76
I	A. Laws of Returns to Scale	76
	A. Laws of Returns to Scare The Laws of Mariable Proportions	82
	B. The Law of Variable Proportions B. The Law of Variable Proportion Function	85
III	Technological Progress and the Production Function	
IV	国際機能は1995年 日本の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の大学の	80
	of Production	8
	A. Single Decision of the Firm	
	B. Choice of Optimal Expansion Path	9

	Contents
V Derivation of Cost Functions from Production Functions	
A. Graphical Derivation of Cost Curves from the Production	95
Finetion	95
B. Formal Derivation of Cost Curves from a Production Function	
VI The Production Function of a Multiproduct Firm	97
A. The Production Possibility Curve of the Firm	99
B. The Isorevenue Curve of the Multiproduct Firm	99
C. Equilibrium of the Multiproduct Firm	102
	104
4 THEORY OF COSTS	105
1 General Notes	105
II The Traditional Theory of Cost	106
A. Short-Run Costs	107
B. Long-Run Costs: The 'Envelope Curve'	111
III Modern Theory of Costs	114
A. Short-Run Costs	115
B. Long-Run Costs: The 'L-Shaped' Scale Curve	
IV Engineering Cost Curves	120
A. Short-Run Engineering Costs	122
B. Long-Run Engineering Costs	124
V The Analysis of Economies of Scale	125
A. Real Economies of Scale	126
B. Pecuniary Economies of Scale	128
VI Empirical Evidence on the Shape of Costs	137
A. Statistical Cost Studies	137
	138
	143
C. Engineering Cost Studies	143
D. Statistical Production Functions	146
E. The 'Survivor Technique'	146
VII The Relevance of the Shape of Costs in Decision-making	148
PART TWO	
THEORY OF THE FIRM	
SECTION A: PERFECT COMPETITION, MONOPOLY,	
MONOPOLISTIC COMPETITION	
PERFECT COMPETITION	154
I Assumptions	
1 Assumptions	154
II Dilott Kun Lyumonum	155
A. Equilibrium of the Firm in the Short Run	155
B. The Supply Curve of the Firm and the Industry	159
C. Short-Run Equilibrium of the Industry	160
III Long-Run Equilibrium	160
A. Equilibrium of the Firm in the Long Run	160
B. Equilibrium of the Industry in the Long Run	
Tours of the mountry in the Long Rull	161
C. Optimal Resource Allocation	163
IV Dynamic Changes and Industry Equilibrium	164
A. Shift in the Market Demand	164
B. Predictions of the Perfect Competition Model when Costs	
Change	167
C. Effects of Imposition of a Tax	168

Con	tents	vii
6	MONOPOLY	171
	1 Definition	171
	II Demand and Revenue	171
	III Costs	174
	IV Equilibrium of the Monopolist	174
	A. Short-Run Equilibrium	
	B. Long-Run Equilibrium	B 778778
	V Predictions in Dynamic Changes	
	A. Shift in the Market Demand	179
	B. An Increase in the Costs of the Monopolist	181
	C. Imposition of a Tax	182
		102
	VI Comparison of Pure Competition and Monopoly	104
	VII The Multiplant Firm	189
	VIII Bilateral Monopoly	
7	PRICE DISCRIMINATION	192
	I Assumentions	192
		192
		195
	III. Effects of Price Discrimination	198
	IV Price Discrimination and Elasticity of Demand	199
	V Price Discrimination and the Existence of the Industry	200
	VI Government-Regulated Monopoly	
•	MONOPOLICTIC COMPETITION	202
8	MONOPOLISTIC COMPETITION	203
	I Assumptions	203
	II Costs	204
	III Product Differentiation and the Demand Curve	204
	IV The Concepts of the 'Industry' and the 'Group'	205
	V Equilibrium of the Firm	
	VI Critique	209
	- Competition	212
	VII Comparison with Pure Competition	
	SECTION B: CLASSICAL OLIGOPOLY	
	TI TOODOLV	216
9	NON-COLLUSIVE OLIGOPOLY	210
	I Cournot's Duopoly Model	225
	II Bertrand's Duopoly Model	228
	III Chamberlin's Oligopoly Model	
	vv. Tt. (Vinked Demand' Model	230
	- · · · · D. analy Model	233
	V Stackelberg's Duopoly Model	227
		237
10	国际的现在分词形式的现在分词形式的现在分词形式的现在分词形式的现在分词形式的现在分词形式的现在分词形式的现在分词形式的形式的形式的形式的形式的形式的形式的形式	237
	I Cartels	237
	I Cartels A. Cartels aiming at Joint Profit Maximisation	242
	B. Market-Sharing Cartels	
		244
	II Price Leadership A. The Model of the Low-Cost Price Leader	245
	A. The Model of the Low-Cost Fire Deige Leader	246
	B. The Model of the Dominant-Firm Price Leader	247
	C. Critique of the Traditional Price Leadership Mode	248
	- Deigo Landership	
	D. Barometric Price Leadership	252
12	III The Basing-Point Price System	252
	A The Single Basing-Point System	25
	- · · · · Doint System	
	B. Multiple Basing-Point System	

SECTION C: AVERAGE-COST PRICING

II A CRITIQUE OF THE NEOCLASSICAL THEORY OF THE FIRM: THE MARGINALIST CONTROVERSY I The Basic Assumptions of the Neoclassical Theory II The Hall and Hitch Report and the 'Full-Cost' Pricing Principle III Gordon's Attack on Marginalism	256 256 263 265
IV In Defence of Marginalism	265
12 A REPRESENTATIVE MODEL OF AVERAGE-COST PRICING 1 Goals of the Firm 11 Demand and Cost Schedules	27 ₁ 27 ₁ 27 ₂
III Price Determination: The 'Mark-Up' Rule	272
IV Comparison with Pure Competition	273
V Predictions of Average-Cost Pricing Theory in Changing Market	275
Conditions Cont Pricing	276
VI Critique of Average-Cost Pricing	277
SECTION D: LIMIT-PRICING (or ENTRY-PREVENTING PRICING)	202
THE THEODY	
1 Bain's Early Model	284
II Barriers to New Competition	284 287
A. Bain's Concepts of 'Competition' and 'Entry'	288
B. Barriers to Entry	289
III Summary of Bain's Empirical Findings	301
IV Industry Equilibrium	301
V Some Comments	304
14 RECENT DEVELOPMENTS IN THE THEORY OF LIMIT-	
PRICING	305
I The Model of Sylos-Labini	305
II The Model of Franco Modigliani	313
III The Model of Bhagwati	319
IV The Model of Pashigian	320
SECTION E: MANAGERIAL THEORIES OF THE FIRM	323
,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就会一个人,我们就会一个人 第一章	
BAUMOL'S THEORY OF SALES REVENUE MAXIMISATION	325
I Rationalisation of the Sales Maximisation Hypothesis	325
II Interdependence and Oligopolistic Behaviour	326
III Baumol's Static Models	327
IV Baumol's Dynamic Model	342
V Empirical Evidence	346
VI Some Comments	348
MARRIS'S MODEL OF THE MANAGERIAL ENTERPRISE I Goals of the Firm II Constraints	352 352 354
是这个大学的一个大学的一个大学的一个大学的一个大学的一个大学的一个大学的一个大学的一	356

Col	ntents		18
	IV	Maximum Rate of Growth and Profits	364
	V	Comparison with Baumol's Model	366
	VI	Comparison with a Profit Maximiser	367
	VII	Critique of Marris's Model	368
17	0	WILLIAMSON'S MODEL OF MANAGERIAL DISCRETION	371
	1	The Managerial Utility Function	371
	II	Basic Relationships and Definitions	372
	III	The Model	373
		A. A Simplified Model of Managerial Discretion	373
		B. The General Model of Managerial Discretion	376
	IV	Implications of the Model	378
	V	Comparative Static Properties	379 381
	VI	Empirical Evidence	361
		SECTION F: BEHAVIOURAL THEORY OF THE FIRM	
18	THI	E BEHAVIOURAL MODEL OF CYERT AND MARCH	386
10	1111	The Firm as a Coalition of Groups with Conflicting Goals	386
	I	Comment of the 'Assiration	
	*	Level'	387
	III	The state of the s	388
	IV	C.1. C G:-	390
	1	CD	393
	V	Caba Cinna	395
	VI	and the second of the second o	396
	VIII	The same	398
	IX	Critique	400
		SECTION G: THEORY OF GAMES	
		LINEAR PROGRAMMING	
19	THE	EORY OF GAMES	404
	1	Some Definitions	404
	II	Two-Person Zero-Sum Game	406
		A. Certainty Model	406
		B. Uncertainty Model	408
	III	Non-Zero-Sum Game	410
	īv	The 'Prisoner's Dilemma': A Digression	412
20	IIN	EAR PROGRAMMING	
20	I	General Notes	414
	11	Statement of the Linear Programming Problem	415
	II	Graphical Solution	416
	III	A. Graphical Determination of the Region of Feasible Solution	s 416
		- a 1 1 Determination of the Objective Function	420
		B. Graphical Determination of the Objective I discussed	420
		C. Determination of the Optimal Solution	423
	IV	The Simplex Method	42
		A. The Iterative Procedure	43
	V	The Dual Problem and Shadow Prices	COPPE TO BE

PART THREE

FACTOR PRICING GENERAL EQUILIBRIUM THEORY WELFARE ECONOMICS

	PRICING OF FACTORS OF PRODUCTION	
21	PRICING OF FACTORS AND INCOME DISTRIBUTION	
	Introductory Remarks	437
	I Factor Pricing I Perfectly Competitive Markets	437
	Factor Pricing III I Clictify Company	438
	A. Factor Thems in Perfectly Competitive	438
	Markets	
	(i) Demand of a Firm for a Single Variable Factor	439
	(iii) Demand of a Firm for Several Variable Factors	439
	(iii) Market Demand for a Factor	444
	2 The Supply of Labour in Perfectly Competitive Markets	447
	(i) Supply of Labour by an Individual	447
	in a t t Consulty of Labour	448
	3 The Determination of the Factor Price in Perfect	450
	Markets	\$0.5 m
	- Diring in Imperfectly Competitive Markets	450
	Denduct Manie	451
	1 -Caba Firm for a Cingle Variati	451
	(a) Demand of the Fifth for a Single variable Factor	
	to the Firm for a Wariable F.	451
	(b) Demand of the Firm for a variable Factor When Several Factors are Used	
	() The Note that Commend for and Country of	455
	(c) The Market Demand for and Supply of Labour	\$3.77 \$3.
		456
	Model B Monopsonistic Power in the Factor Market	458
	(a) The Monopsonist Uses a Single Variable	
	Factor	458
	(b) The Monopsonist Uses Several Variable	
	Factors	462
	Model C Bilateral Monopoly	463
	Model D Competitive Buyer-Firm versus Monopoly	
	Union	465
II	Elasticity of Factor Substitution, Technological Progress and	
	Income Distribution	468
	A. Elasticity of Input Substitution and the Shares of Factors of	.00
	Production	468
	B. Technological Progress and Income Distribution	471
III		4/1
	Distribution Topics on Factor Tricing and Income	472
		472
	A. The Price of Fixed Factors: Rents and Quasi Rents	472
	B. Non-homogeneous Factors and Wage Differentials	475
	C. The 'Adding Up' Problem: 'Product Exhaustion' Theorems	477
	1. Euler's Product Exhaustion' Theorem	478
	2. Clark-Wicksteed-Walras 'Product Exhaustion' Theo-	
		479
GE:	NERAL EQUILIBRIUM THEORY	404
		484
B .	The Walrasian System	484
		75 W A