

# Math: From An Economist's Perspective

*For Personal Reference, happy to circulate*

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Check the [Github Page](#) for this project, or [email me](#)!

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## HERE WE GO!

Math is fascinating, certainly. It is clean, organized, beautiful, philosophical, but it is also hard to grasp. I started this project for one simple purpose: As an Economic Ph.D. student, math was not my strongest suit and I NEED to change that. Hence, this math-learning notebook will be tailored according to the need of an economist, instead of being, you know, math math.

Here, I cover the math knowledge ranging from basic concepts, to fundamental theories including linear algebra and real analysis, and more integrated topics including optimization, dynamic methods stochastic control, etc. There are several valuable sources I referred to in the process of making this notebook. Two general aspects are reviewed here: math theories and their application in economic research. I organize the theoretical contents based on ?'s *Mathematics of Economics*, ?'s *Foundations of Mathematical Economics* and ?'s *Mathematics and Methodology for Economics*; ?'s *Mathematical Optimization and Economic Theory*, ?'s *Principles of Mathematical Economics* and ?'s *Mathematical Methods and Models for Economists* are my main references for the application of math theories in specific economic questions. Although the above listed books are rather thorough and well-organized, I referred to other great ones, when in need, for specific topics.

I thank Prof. Brijesh Pinto at USC Economics for reminding me the importance of math and the pleasure of playing with it in the math camp prior to my Ph.D. study. Though brief and abstract, the math camp had actually inspired me to go back to the beginning, really dive in and put together this personal learning notes.

Since this notebook approaches math in an application perspective, I will not only review the theoretical aspects of each topic, but include some necessary modelling simulation techniques and codes as well. All the codes, including the L<sup>A</sup>T<sub>E</sub>X file of this notebook can be found on [my Github page](#). Building this review is truly a memorable journey for me. I would love to share this review and all the related materials to anyone that finds them useful. And unavoidably, I would make some typos and other minor mistakes (hopefully not big ones). So I'd really appreciate any correction. If you find any mistakes, please either set up a branch on Github or send the mistakes to this email address [saizhang.econ@gmail.com](mailto:saizhang.econ@gmail.com), BIG thanks in advance!

# Contents

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# CHAPTER 1

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## BASIC CONCEPTS

### Contents

1.1	Set Theory and Space Theory . . . . .	3
1.1.1	Subsets and Set Operations . . . . .	3
1.2	Chap1Sec2 . . . . .	4
1.3	Chap1Sec3 . . . . .	4
1.4	Chap1Sec4 . . . . .	4

In this chapter, I review the fundamental concepts that will reoccur constantly in this notebook.

In Section ??, I summarize the basic elements of set theory,

## 1.1 Set Theory and Space Theory

A **set** is a collection of elements, normally denoted as

$$S = \{x(\in A) : P(x)\}$$

where  $S$  is the set,  $x$  represents elements (add  $x \in A$  if  $x$  must also belong to set  $A$ ),  $P(x)$  represents the property of  $x$ .

### 1.1.1 Subsets and Set Operations

**Definition 1.1.** If all elements of a set  $X$  are also of another set  $Y$ , then  $X$  is a **subset** of  $Y$ , which can be written as  $X \subseteq Y$ .

After defining subsets, we have two extended definitions: **proper subset** and **set equality**.

**Definition 1.2.** If all elements of a set  $X$  are also of another set  $Y$ , but not all elements of  $Y$  are in  $X$ , then  $X$  is a **proper subset** of  $Y$ , written as  $X \subset Y$

**Definition 1.3.** If two sets  $X$  and  $Y$  contain exactly the same elements,  $X$  and  $Y$  are **equal**, written as  $X = Y$ .

The equality of two sets can also be expressed in another way:

$$X \subseteq Y \text{ and } Y \subseteq X \Leftrightarrow X = Y$$

. Now with the basic definitions, we can move to the set operations. Here, all the set operations are based subsets of a **universal set**  $U$ .

**Definition 1.4.** For two subsets of  $U$ ,  $X$  and  $Y$ :

- Intersection:  $X \cap Y = \{x : x \in X \text{ and } x \in Y\}$ , if  $X$  and  $Y$  don't share any common elements, the intersection would be an **empty/null set**  $\emptyset$ ,  $X$  and  $Y$  are said to be **disjoint**
- Union:  $X \cup Y = \{x : x \in X \text{ or } x \in Y\}$ . The union of two sets strictly contain their intersection, or  $X \cap Y \subset X \cup Y$
- Complement:  $X^C(\bar{X}) = \{x \in U : x \notin X\}$ . The complement of the universal set  $U^C = \emptyset$
- Relative difference:  $X - Y = \{x \in U : x \in X \text{ and } x \notin Y\}$ .

With Definition ?? in mind, we have:

## 1.2 Chap1Sec2

In this section, I

## 1.3 Chap1Sec3

## 1.4 Chap1Sec4

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# CHAPTER 2

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## LINEAR ALGEBRA

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## CHAPTER 3

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### REAL ANALYSIS

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# CHAPTER 4

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## OPTIMIZATION



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# CHAPTER 5

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## DYNAMIC METHOD