Review

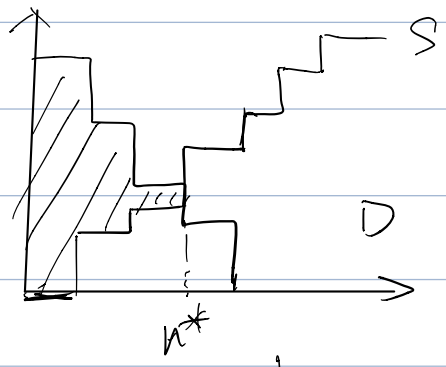
① gain from Trade

② $TS_n = V(n) - C(n) = \sum_{i=1}^{n} (V_i - C_i)$

③ $T(n^*) \geq TS(n)$ for all $0 \leq m \leq \min\{m, n\}$

↑ Porato optimal volume of trade.

④



if the same (D/S). at 3rd.

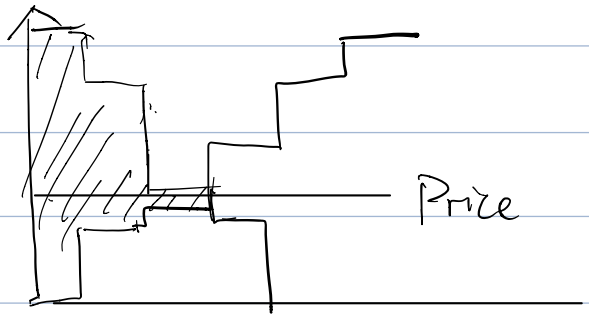
$n^* = 2$ / $n^* = 3$ ✓.

if $C_3 = C_4$, $n^* = 3$, who trade 谁

Trade may be changed by price between ...

New:

efficiency ⇒ minimal criteria.



⇒ correct of pareto. ○.

impose ⇒ supply = demand

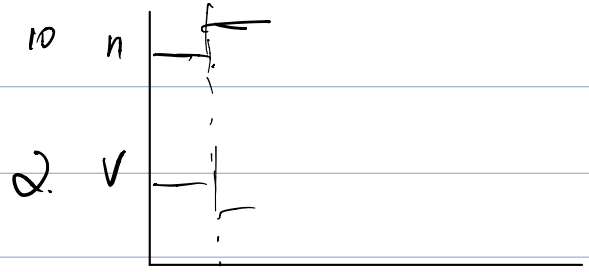
Thm: First foundamental thm of welfare.

ACE in P.O.

⇒ some pareto optimal.

get all p.o.? ✗ generally

P.O differ in price ⇒ get compare



Competitive => some P.O. (price).

surplus.

divided by ⇐ participant.

gain / lose.

All para optimal can be achieve by a CE fo[illegible]dent by export redistribution action of money.

incase.

pefect competition

4 ? get competitive equilibrium.

? price / instruction.

① market maker

needs.

resourses / prorers

① ask ?

② vote ?

the law of one price

maximize utility.