

Course
on
HS205: consumer Behaviour and Welfare Economics
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Instructor

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Welfare economics:

- i. Pareto's welfare criteria
- ii. Kaldor Hicks compensation criterion
- iii. Scitovsky Paradox and Scitovsky's double criterion

Economic efficiency:

- i. Exchange efficiency:** It means the distribution of a given output of goods between individuals in a society should be such that it should not be possible to make some one better off without making any one else worse off.
- ii. Production efficiency:** Production is Pareto efficient when it is not possible to reallocate resources to produce more of some goods without producing less of some other goods.
- iii. Allocative efficiency:** It means the allocation of resources among the production of goods and services is in accordance with the preferences of the people

