

Problem Set 3

1. What is the point of Starr's *General Equilibrium Theory*, 2nd edition, chapters 15 – 18? Sufficient conditions for existence of general equilibrium were established in chapters 11-14. The next four chapters just did the same thing under different assumptions. Isn't that a waste of time and effort? [Hint: "Yes, it's a complete waste" is not typically a full credit answer. However, if that's your answer, explain fully.]
2. Starr's *General Equilibrium Theory*, 2nd edition, question 18.22.
3. Starr's *General Equilibrium Theory*, 2nd edition, question 18.21.
4. Starr's *General Equilibrium Theory*, 2nd edition, question 18.19.
5. Starr's *General Equilibrium Theory*, 2nd edition, question 19.1.
6. Starr's *General Equilibrium Theory*, 2nd edition, question 19.13.