



## Syllabus

### WELFARE THEORY - 71742

Last update 02-09-2018

HU Credits: 4

Responsible Department: Environmental Economics & Management

Academic year: 0

Semester: 1st Semester

Teaching Languages: Hebrew

Campus: Rehovot

Course/Module Coordinator: Professor Israel Finkelshtain

Coordinator Email: [finkelsh@huji.ac.il](mailto:finkelsh@huji.ac.il)

Coordinator Office Hours: Sunday 14:00-16:00

Teaching Staff:

Prof Israel Finkelshtain

Course/Module description:

Pareto efficiency, fairness vs. efficiency, the first and second welfare

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*theorems, the impossibility theorem, general equilibrium in exchange economy and with productive sector, bargaining, government intervention and regulations, market failures, externalities and public goods.*

*Course/Module aims:*

*Providing the ability to analyze the effectiveness of alternative trading mechanisms.*  
*Understanding the concept of market failures and alternatives to correct them.*  
*Imparting knowledge needed for assessing the effectiveness of government intervention in markets*

*Learning outcomes - On successful completion of this module, students should be able to:*

*Analyze the effectiveness of alternative trading mechanisms.*  
*diagnose of market failures and suggest alternatives for correcting them.*  
*Evaluate the effectiveness of government intervention in markets*

*Attendance requirements(%):*

*none*

*Teaching arrangement and method of instruction: lectures and exercises*

*Course/Module Content:*

*Week 1: Pareto principle, efficiency and equality in barter ,Edgeworth box curve benefit options.*  
*Week 2: economic efficiency of production: homogeneous products, heterogeneous products, value curve.*  
*Week 3: an integrated economic efficiency, coordination between production and book curve of possible benefits*  
*Week 4: Arrow Law and social welfare function, additional issues: the principle of compensation ,jealousy, justice .*

*Week 5: Equilibrium (general) economy competitive rates.*  
*Week 6: Competitive equilibrium in simple economies with production: lonley island Economy, farm economy .*  
*Week 7: elementary justice theories of welfare.*  
*Week 8: Additional allocation mechanisms: bargaining, allocation arrangements*  
*Week 9 : Taxonomy, government intervention : taxes, subsidies , quotas, regulation of dairy and water.*  
*Week 10:imperfict competition - plain and discriminating monopoly , monopsony , minimum wage agreements , cartels , mergers,antitrust laws and the agricultural*

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sector.

Week 11 : Introduction and Taxonomy ,advantages of big monopolies, natural monopolies and regulation of electricity and water sector.

Week 12: positive and negative external influences in consumption and production , regulation and tax facilities.

Week 13: Shared Resources and the regulation tu use them. grasslands, reservoirs, Transport .

Week 14: public products, the supply mechanisms and allocation of costs.

Required Reading:

lectures

Additional Reading Material:

1. מועלם יוסי "תורת המחירים: תחרות לא משוכללת ושיווי משקל כללי", הוצאת אקדמון.

2. ששינסקי איתן ושותפים "תורת המחירים" הוצאת אקדמון.

3. ששינסקי איתן "מימון ציבורי" הוצאת אקדמון.

Course/Module evaluation:

End of year written/oral examination 60 %

Presentation 0 %

Participation in Tutorials 0 %

Project work 0 %

Assignments 40 %

Reports 0 %

Research project 0 %

Quizzes 0 %

Other 0 %

Additional information:

None