

## Review Notes – Introduction

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- What is a market?
    - Marriages?
    - Children?
    - Criminal Activity?
    - Etc.
  - What is a model?
    - Exogenous variables.
    - Endogenous variables
    - Assumptions
  - The basics of a simple Demand and Supply model
    - How do we measure quantity and price?
    - Demand - What are reservation prices?
    - Supply
    - Equilibrium
  - What are comparative Statics?
  - What are the alternatives to competitive markets in allocating resources?
  - Pareto Efficiency
    - Definition
    - Application to market structures
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