Review Notes – Introduction

- 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