

EC 131 - Lecture 7

Boston College
Department of Economics

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September 2012

Textbook readings: Chapter 7

1 Welfare

- Welfare economics
- Willingness to pay
- Consumer surplus
- Relation with demand curve and price
- Willingness to sell
- Producer surplus
- Relation with supply curve and price
- Total surplus
- Efficiency
- Equality
- Market efficiency
- Welfare analysis of price controls