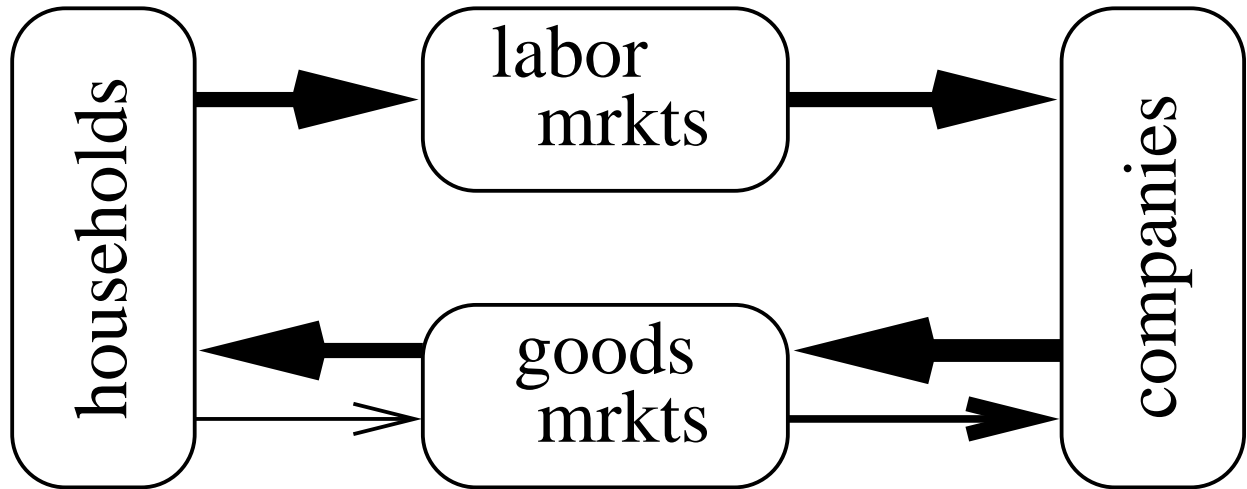


Market Economy



Explaining the market outcome

first investigate firm behavior

then look at consumers/households

see how they interact in 1 mrkt
(partial equilibrium)

finally interaction in all mrkts
(general equilibrium)