

Index

- Acemoglu, D. 441
- aggregate demand aggregate supply diagram 22, 365–76
- adjustment mechanism 370
- adjustment process from short-run to long-run equilibrium 373–4
- adjustment process and Keynes and Pigou effect 374
- aggregate demand model and Keynesian diagonal cross diagram 370
- aggregate demand model in literature 370–71
- aggregate supply curve as independent concept 386–9
- derivation of aggregate demand curve 365–8
- derivation of aggregate supply curve 368
- equilibrium and comparative statics 367, 368–9
- and IS–LM equilibrium 371, 374
- Keynesian income determination diagram 344–6
- Keynesian income determination diagram (Z/D–N) 339, 342–4, 354
- model in literature 370–74
- and monetary shocks 372–3
- and Phillips curve 368, 369, 370, 372, 382–4, 386–8
- short-run aggregate supply (SRAS) curve 367, 368–9, 370
- SRAS curve as errors-only curve 371–2
- SRAS curve in literature 371–3
- SRAS curve, sticky wage derivation 372–3
- and stagflation 369
- ‘surprises only’ aggregate supply curve 376
- and technological change 373
- Akerlof, G. 406
- Åkerman, G., cobweb diagram 187
- Allais, M., utility-possibility frontier *see* utility-possibility frontier
- Allen, R. G. D.
- and elasticity of substitution 52, 54–5, 61–2
- and Engel curves 65
- income and substitution effect diagram *see* income and substitution effect diagram
- and introduction of income into demand theory 65
- isoquants 46, 48, 52
- technological change as function of time 88
- Alonso, W. 172
- Amoroso, L., duopoly reaction curves 142
- Anderson, J., concept of trade restrictiveness index 104
- Anderson, S. 182
- Antrobus, G. 442, 443, 444, 445
- Armington, P. 56
- Arrow, K. 188, 259
- and elasticity of substitution 53, 54
- environmental Kuznets curve 443, 445
- general equilibrium theory 230, 231, 282–4
- integrated world equilibrium diagram 325–6
- Two Fundamental Theorems of Welfare Economics 277
- unit simplex diagram *see* unit simplex diagram
- Arrow-Debreu state-contingent model 325–6

- Ashok, Sowmiya 439–46
- Atkinson, A., social welfare theorem 435–6
- Attwood, T. 384
- Aumann, R., and Pareto efficiency 279
- Auspitz, R., monopoly and price discrimination *see* monopoly and price discrimination
- Backhouse, Roger E. 221–9
- backward-bending labour supply curves 9, 21, 161–9
- and development economics 166–8
- gender differences 164
- and income demand 164–6
- and individual labour supply decision 161–2, 164
- origins of 164–5
- and poverty 168–9
- and price effect 161–2
- and self-employment 167–8
- substitution and income effect of wage cut 162–3, 164
- supply-side economics and Laffer curve 168–9
- and taxation 164–6
- and under- and over-employment 164
- Baldwin, R. 311
- Barone, E.
- cost curves 76
- Pareto efficiency 278
- production possibilities frontier 245
- Barro, R. 346
- Barzel, Y., rent-seeking model 207
- Bator, F., and Pareto efficiency 279
- Baumol, William J. 10, 17–18, 128–36
- Beccaria, C. 11
- Beckerman, W. 443
- Becsi, Z. 415
- Berg, E. 167
- Bergson (Burk), A.
- Constant Elasticity of Substitution (CES) utility function 56
- and Pareto efficiency 278
- and social indifference map 315
- social welfare function 253
- Bernouilli, D. 10, 11
- Bernstein, P. 203
- Berry, B. 175
- Bertrand, J. 157
- duopoly reaction curves 142–3
- and price discrimination 180
- Bessler, D. 189
- Beveridge curve *see* UV (Beveridge) curve
- Bhaduri, A., reswitching and capital reversing diagrams 193
- Bhagwati, J., trade theory diagram 314
- Bhaskar, V., kinked demand curves 157
- Bickerdike, C., optimal tariff *see* optimal tariff
- Binmore, K. 89
- Bishop, J. 442
- Blanchard, O. 389, 407
- Blaug, Mark 1–23, 38–49, 80, 191, 228, 277
- Bliss, C. 191, 195
- Boadway, R. 101
- Böhm-Bawerk, E. von 195
- Boiteux, M. 107
- Borjas, G. 161
- Boulding, K. 8, 17
- Bound, J. 442
- Bowley, A.
- duopoly reaction curves 139–40
- Engel curves 65
- indifference curves 43, 234
- isoquants 46
- Boyd, L, and D. 73, 76
- Boyer, Russell 356–64
- Branson, W. 362, 370–71, 374
- Braun, C. 14
- Bronfenbrenner, M., Keynesian aggregate supply and demand curves 345–6
- Brown, A. 349, 384, 396
- Brown, M. 53, 54
- Brownlee, O. 346
- Brownlie, A. 34
- Bruno, M. 270
- Buchanan, J., Buchanan/Stubblebine diagram 122–4, 125
- Buchanan, N., cobweb diagrams 187
- Bulow, J. 142
- Buquoy, G. von 18
- Burk (Bergson), A. *see* Bergson (Burk), A.

- Burmeister, E. 270
 Burns, A. 343
 Buser, S. 203
 Butlin, N. 430
- Cambridge controversies 191, 192–3
 Cameron, Lisa 439–46
 capital
 asset pricing model *see* Markowitz
 mean-variance diagram
 mobility, perfect *see* Fleming–
 Mundell diagram
 theory, factor price frontier *see*
 factor price frontier model
 capital theory, reswitching and
 reversing in 191–8
 and Cambridge controversies 191,
 192–3
 and Cobb–Douglas production
 function 197
 diagrams 193–5, 196
 heterogeneous capital goods and
 capital valuation 192
 history and significance 195–7
 Ruth Cohen Curiosum (RCC) 195
 Samuelson/Solow/Swan aggregate
 production function model
 191–2
 Wicksell effects 192–3, 195
 Carlaw, K. 391
 Carlson, S. isoquants 46
 Cassels, J. 48
 Catchings, W., circular flow diagram
 226
 Caves, R. 250, 362
 Chamberlin, E., monopolistic
 competition *see* monopolistic
 competition
 Champernowne, D. 193
 Chapman, D. 445
 Chipman, John S. 62, 252–61, 281
 Stolper–Samuelson production box
 303
 Christaller, W., location theory
 hexagons 175
 Christensen, L., Translog Production
 Function 55
 chronology of curves and diagrams
 13–14, 20–23
 Chrystal, A. 371, 373–4
 circular flow diagrams 10, 21, 221–9
 and decomposition of household
 expenditure 222–3
 early history 225–8
 elements of 221–3
 and income flows 221–2
 and Keynesian economics 223–5
 Phillips machine 224–5, 226
 and production boundaries of firms
 221–2
 as visual representation to wider
 audience 228
 Clark, C. 68
 Clark, J. 80, 195
 classifications of technical change 20,
 83–8
 Harrod method 86–7, 88
 Hicks method 83–4, 85, 86, 87, 88
 and Solow–Swan growth model
 84–6, 87, 88
 Coase, R. 124, 184
 critique and ignored asymmetry,
 taxation of external costs 124,
 125
 Cobb–Douglas function
 and capital theory, reswitching and
 reversing in 197
 and Solow–Swan growth model 430
 and theory of the second best and
 third best 290
 cobweb diagram 21, 41, 184–90
 criticism and extensions 187–8
 Ezekiel's diagram 185–6, 188
 Ezekiel's diagram, limitations with
 agricultural products 186
 history 184–5
 static and adaptive expectations 187–8
 and supply curve 185, 186, 187–8
 Coddington, A. 223
 Cohen, Avi J. 191–8
 Cohen, M., UV (Beveridge) curve 395
 Cohen, R., reswitching and capital
 reversing diagrams 195
 Colander, D. 346, 370, 373, 374
 commodity expenditure and income,
 and Engel curves *see* Engel curves
 community indifference curves 110–20
 alternatives to 118–19
 compensation test 110, 114–16, 117,
 119

- construction 111–13
 - and Harberger test 119
 - and free trade 316
 - and New Welfare Economics 110
 - Scitovsky paradox 110–11, 113–17
- competition, role of numbers in *see*
 - role of numbers in competition
- Congleton, R. 207
- consumer choice, and indifference curves *see* indifference curves
- consumer surplus 20, 97–103
 - concept origin and Dupuit and Marshall 97–8, 101
 - and constant marginal utility of money (MUM) 97–8
 - and Harberger triangles *see* Harberger triangles
 - and Hicks's compensation variation concept 97–101
 - measurement, approximate nature of 101–3
 - multiple price changes and path dependency 101
- consumption, intertemporal utility maximisation *see* Fisher diagram
- contract curve, and Edgeworth box *see* Edgeworth box
- Cook, P. 61
- Cook, S. 1
- Cooper, R. 356
- Corden, M., trade theory diagram 314
- cost curves *see* long-run and short-run cost curves
- Cournot, A. 4, 7–8, 11–12, 13
 - duopoly 16, 21, 31, 91
 - duopoly reaction curves 137–8, 139, 140, 141–2, 148, 180
 - geometrical tax-incidence analysis 31
 - market demand and supply curve diagram 29–31, 36
 - Marshallian cross diagram *see* Marshallian cross diagram
 - monopoly and price discrimination *see* monopoly and price discrimination
 - scissors diagram and tax incidence analysis 32
- Cowles, A. 200
- Cowling, K. 107
- Cramer, J. 209–11
- Crampes, C. 213
- Creedy, John 233–44
- Cypher, J. 440, 441
- Darity, W. 352, 353, 354
- Dasgupta, S. 436, 443
- d'Aspremont, C. 181
- David, M., UV (Beveridge) curve 395, 396
- Davidson, P., Keynesian income determination diagram 344
- De Cani, J. 54
- De Finetti, B., utility-possibility frontier 259
- De Marchi, N. 1
- Deardorff, Alan V. 305–10
 - integrated world equilibrium diagram 327
- Deaton, A. 67
 - Almost Ideal Demand System 66
- Debreu, G.
 - coefficient of resource utilization 256
 - general equilibrium theory 230, 231
 - indifference curves and preference orderings 46
 - and integrated world equilibrium diagram 325–6
 - and Nash equilibrium 89
 - unit simplex diagram *see* unit simplex diagram
- demand curve for money 23, 346, 401–5
 - and Cambridge version of quantity theory 402, 403
 - and gold standard 402–3
 - and interest rates 403–4
 - and price levels 401, 403, 404
- demand curves, kinked *see* kinked demand curves
- Denis, H., circular flow diagram 228
- Denzau, A. 182
- Derobert, L. 164
- Descartes, R. 11
- Dicks-Mireaux, L., UV (Beveridge) curve *see* UV (Beveridge) curve
- Dietz, J. 440, 441
- Dillard, D., aggregate demand aggregate supply diagram *see* aggregate demand aggregate supply diagram

- Dimand, Robert W. 426–31
 Dinda, S. 442, 443, 444, 445
 discriminating monopoly diagram 16, 21, 131–4
 Dixit, Avinash 22, 55–6, 152–3, 215, 323–7
 Dixon, Robert 50–57, 83–8, 428, 430
 Domar, E. 426, 430
 Dornbusch, R. 362
 Dos Santos Ferreira, R. 182
 Dow, J., UV (Beveridge) curve *see* UV (Beveridge) curve
 Downs, A. 182
 duopoly
 and oligopoly and monopolistic competition 148, 152
 price cut in, without collusion 180–81
 see also monopolistic competition; oligopoly
 duopoly reaction curves 11–12, 16, 21, 31, 91, 137–44
 belief-based version 138–9, 140
 conjectural approach 140
 and Cournot equilibrium 137–8, 139, 140, 141–2, 148, 180
 and efficiency of firm 142
 extensions 140–43
 firm choices, dynamic analysis of 139
 interpretations 138–40
 and Nash equilibrium 139, 140
 and non-cooperative game theory 139–40
 and partial product differentiation 142–3
 stability analysis and comparison of market performances 140–42
 and strategic complements (pure ‘Bertrand’ case) 142–3
 Dupuit, J.
 and consumer surplus 97–8
 Marshallian cross diagram *see* Marshallian cross diagram
 monopoly and price discrimination 33–4, 36, 128, 134
 networks *see* graph theory and networks
 Edgeworth, F. 7, 12, 17, 34, 76
 indifference curves *see* indifference curves
 long-run and short-run curves *see* long-run and short-run curves
 optimal tariff *see* optimal tariff
 price discrimination 128, 180
 role of numbers in competition *see* role of numbers in competition
 Edgeworth box 3, 21, 233–8, 300
 disequilibrium price ratio 236
 and indifference curves 15, 16, 43–6, 233–7
 and parametric prices 235–6
 and Pareto efficiency 273, 278
 and price-taking equilibrium 233, 236–7
 and role of numbers in competition *see* role of numbers in competition
 and utility-possibility frontier 254
 Eichberger, Jürgen 89–94
 Eichhorn, W. 6
 Ekelund, R. 32, 128
 Ekins, P. 445
 elasticity of substitution 9, 16, 20, 50–57, 61
 Allen–Uzawa elasticity of substitution 55
 and Cobb–Douglas production function 54
 Constant Elasticity of Substitution (CES) production function 54–5
 and isoquants 47, 50–51, 52, 54
 relative factor prices and relative factor use, relationship between 50–51
 Translog Production Function 55
 Ellet, C. 128
 Enelow, J. 182
 Engel curves 5, 15, 20, 64–8
 and assumption that all households face same prices 66–7
 and family size and composition 67
 and homothetic utility functions 71
 and income elasticity of demand 65, 66
 semi-logarithmic equation 66
- Eaton, B. Curtis 170–78
 Economides, N., graph theory and

- semi-parametric and non-parametric estimation 66
- and total expenditure 64
- environmental quality *see* Kuznets curves, environmental
- equilibrium
 - competitive, and factor price frontier diagram 262–6
 - integrated world equilibrium diagram *see* integrated world equilibrium diagram
 - phase diagram technique *see* phase diagram technique and multiple-market equilibrium stability
 - stability *see* stability of equilibrium *see also* general equilibrium theory
- Erkal, Nisvan 179–82
- Etheridge, B. 122
- Ethier, W., Stolper–Samuelson production box 303
- Euler, L.
 - homogeneous function of the first degree 80
 - Königsberg Bridge Problem 212
- exchange rates, and Fleming–Mundell diagram 357–9, 360–61
- Ezekiel, M., cobweb diagram *see* cobweb diagram
- factor price frontier diagram 22, 262–71
 - application 266–8
 - and competitive equilibrium 262–6
 - constrained optimization problem 265–6
 - extension to growth model 268–9
 - factor market equilibrium (market clearing) conditions 263
 - history of 270
 - Kuhn–Tucker (complementary slackness) conditions 263
 - literature review 270
 - and product price changes 266–8
 - production sector equilibrium 264–5
 - and profit maximization 263–5, 268–9
 - and Stolper–Samuelson theorem 16, 267–8, 270
- Färe, Rolf 69–72
- Feldstein, M. 414
- Felipe, J. 197
- Fellner, W. 139
- Ferguson, C. 86
- Findlay, R. 311
 - Lerner diagram 305
 - trade theory diagram 314
- Fisher, F. 197
- Fisher, I. 139, 195
 - Phillips curve 371, 384
 - production possibilities frontier 245
 - SRAS curve 371
 - variance as measure of risk 201
- Fisher diagram 14, 23, 421–5
 - development and use 424
 - Fisher Separation Theorem 424
 - and indifference curves 43, 421, 422, 423
 - and interest rates 422, 423–4
 - and international trade 424–5
 - and market equilibrium 424
- Fleming–Mundell diagram 22, 356–64
 - and exchange rates 357–9, 360–61
 - and fiscal policy 358, 359, 361–2
 - and Hicks’s IS–LM diagram 357
 - IS–LM–BP curve diagram 356, 359–60
 - limitations of Mundell’s 1963 diagram 362–3
 - and monetary policy 357–8, 359, 360–61
 - Mundell–Fleming and Mundell’s diagrams 356–61
 - Mundell’s 1963 diagram and Fleming’s 1962 equation 361–2
 - and perfect capital mobility 356, 360, 361–2
- Flux, A. 20, 80
- Fornari, I. 189
- Foster, W., circular flow diagram 226
- four-quadrant diagram
 - applications 321–2
 - and Heckscher–Ohlin model 317
 - history of 322
 - two country equilibrium 319–21 *see* Heckscher–Ohlin model
- Fowler, R. 184
- free trade
 - and optimal tariff 328–9

- and Scitovsky paradox and community indifference curves 316
- trade theory diagram *see* trade theory diagram
- and utility-possibility frontier 255
- see also* international trade
- Friedman, J. 140
- Friedman, M. 203, 359, 361, 371, 372, 380, 390
- Fujita, M. 172
- Fullerton, D. 415, 416
- Fulton, M. 138
- Furniss, E. 168
- Fusfeld, D. 343
- Fuss, M. 55
- Gale, D. 231
- Gallet, C. 441, 442
- game theory
 - and graph theory and networks 215–16
 - and Nash equilibrium 89–93
 - non-cooperative, and duopoly reaction curves 139–40
 - rent-seeking diagrams 207
- Gangadharan, Lata 439–46
- Garegnani, P., reswitching and capital reversing diagrams 193
- Garnier, G. 11
- general equilibrium theory
 - and integrated world equilibrium diagram 323
 - Pareto efficiency *see* Pareto efficiency
- production possibilities frontier *see* production possibilities frontier
- Stolper–Samuelson production box *see* Stolper–Samuelson production box
- unit simplex diagram *see* unit simplex diagram
- see also* equilibrium
- Giffen's paradox 15
- Giocoli, Nicola 137–44
- Giraud, Yann 1, 16, 221–9
- Goldfeld S. 10, 17–18
- Goolsbee, A. 416
- Gordon, A., UV (Beveridge) curve 395, 396
- Gordon, R. 389
- Gordon, S. 17
- Gorman, W.
 - Scitovsky paradox 117
 - utility-possibility frontier 259
- government policy
 - fiscal, and Fleming–Mundell diagram 358, 359, 361–2
 - monetary, and Fleming–Mundell diagram 357–8, 359, 360–61
 - and rent-seeking diagrams 207, 208
 - stabilisation, and Phillips curve 380
 - taxation *see* taxation policy
- Goyal, S., graph theory and networks 214, 215
- Graaff, J. de V., utility-possibility frontier 252–6, 257–9
- graph theory and networks 21, 212–16
 - and economics of network industries 213
 - and game theory 215–16
 - history and uses 212–13, 215–16
 - and Medici influence in fifteenth century 215, 216
 - network of collaborating economists 215
 - properties of 212
 - and social network analysis 212, 214–15
 - tree diagrams 212–13
- Groenewegen, P. 1, 12, 281
- Grosskopf, Shawna 69–72
- Grossman, G. 23, 443, 444
- growth
 - logistic growth curve *see* logistic growth curve
 - Solow–Swan growth model *see* Solow–Swan growth model
- Grubert, H., Lerner diagram 305
- Haberler, G., production possibilities frontier *see* production possibilities frontier
- Hadley, A., price discrimination 128
- Hague, D. 6
 - Keynesian income determination diagram 344
- Hahn, F. 83
- Hall, R. 21, 152, 154, 388–9
- Haller, Hans 58–63

- Hamermesh, D. 164
- Hanau, A. 184
- Hands, D. Wade 280–85
- Hansen, A.
IS–LM diagram 353–4
Keynesian income determination diagrams 339
- Hansen, B. 397
- Harberger triangles 20, 104–9
and Anderson–Neary concept of trade restrictiveness index 104
and consumer surplus 97, 104–9
and deadweight loss 104–5, 106–8
and Marshallian demand curve 106
public projects and cost-benefit test 106
and Scitovsky paradox 119
and taxation of external costs 121–2
and welfare costs of monopolistic behavior in US industry 107–8
welfare loss measurement in pure monetary values 107
- Harcourt, Geoffrey C. 191–8
Keynesian income determination diagram 339
- Harris, J., rent-seeking model 207
- Harrod, R. 145, 348, 426, 430
classification of technical change *see* classification of technical change
cost curves 76, 77
four-quadrant diagram in international economics 322
- Hause, J. 102
- Hausman, J., Harberger triangles 106
- Hayek, F. von 195
- Hayes, H. 154
- Hébert, R. 32, 128
- Heckscher–Ohlin model 7, 248, 300, 317–22
autarky equilibrium 318–19, 320–21
and capital–labor endowment ratio 319
and complete specialization 321
and demand 319
factor-intensity reversal 317, 318, 321
and factor–price equalization theorem 321
history 322
Lerner diagram *see* Lerner diagram
and Rybczynski theorem 320
and Stolper–Samuelson factor price frontier 318
and technology differences 321–2
and trade theory diagram 313, 314
two-country equilibrium 319–21
- Helpman, E. 249
integrated world equilibrium diagram 327
- Hennings, K. 31, 34
- Herberg, H. 250
- Hertel, T. 225
- Hicks, J. R. 7, 17, 41, 58, 61–2
backward-bending labour supply curves 166
classification of technical change 83–4, 85, 86, 87, 88
compensation and decomposition 59, 60, 61, 62
composite traded commodity 248
and consumer surplus 97
consumer surplus and compensation variation concept (four measures) 98–101
efficiency curve *see* factor price frontier diagram
elasticity of substitution *see* elasticity of substitution
h-c test 110
income and substitution effect diagram *see* income and substitution effect diagram
introduction of income into demand theory 65
IS–LM diagram *see* IS–LM diagram
real social income measures 253
and technological change 16, 20, 307
wage frontier *see* factor price frontier diagram
- Hines, J. 97, 104
- Hinich, M. 182
- Hirshleifer, J., circular flow diagram 225
- historical issues 9–16
confusion and controversies 9–10
curves, intersecting 12
demand and supply curves 12
and duopoly 11–12
first figures and diagrams in economics 10–13

- graphical models 11–12
- inverse demand function 11–12
- and mathematical analysis 12–13
- Hitch, C. 21, 152, 154
- Holt, C., UV (Beveridge) curve 395, 396
- Holzman, F., Keynesian aggregate supply and demand curves 345–6
- homogeneous functions 9, 20, 71–2, 80
 - and isoquants 47
- homothetic production and utility functions 20, 69–72
 - and Engel curves 71
 - and isoquants 47, 70
 - separability and duality 69–70
- Hotelling, H. 101
- Hotelling's model of spatial competition 21, 179–82
- horizontal differentiation 179–80, 181
 - and Launhardt 182
 - and market location 179–80
 - multiple dimensions 181–2
 - and political competition 181–2
 - and price cut in duopoly without collusion 180–81
- principle of minimum differentiation 181
 - Salop's circular city model 181
- Houthakker, H. 64, 65–6, 67
- Howe, G. 414–15
- Hume, D. 384
- Humphrey, Thomas M. 1, 3, 12, 29–37, 384, 421–5
 - trade theory diagram 313
- Hurwicz, L. 259
 - general equilibrium theory 282–4
- Ikema, M. 270
- income
 - and commodity expenditure *see* Engel curves
 - determination diagram *see* Keynesian income
 - determination diagram
 - distribution *see* capital theory, reswitching and reversing in
 - flows *see* circular flow diagrams
 - inequality, and Laffer curve 416
 - inequality, and per capita income *see* Kuznets curve
 - size distribution and wealth *see* Lorenz curve
- indifference curves 20, 43–6
 - and duality theory 45–6
 - and Edgeworth box 15, 16, 43–6, 233–7
 - and Fisher diagram 43, 421, 422, 423
 - history of 43
 - and isoquants *see* isoquants
 - and preference orderings 46
 - and principle of diminishing marginal rate of substitution 44–6
 - and production transformation curve 43
 - and role of numbers in competition 240–41
 - and utility-possibility frontier 43, 46
- inflation
 - and Lorenz curve 436
 - and Phillips curve 379, 381–2, 385
- integrated world equilibrium diagram 22, 323–7
 - and 2-by-2 case 323, 326–7
 - and Arrow–Debreu theory, similarities to 325–6
 - developments 327
 - and factor price equalization 323, 325, 326
 - and factors not internationally tradable 325
 - and general equilibrium theory 323–4
 - univalence approach 323–4
- interest rates
 - and demand curve for money 403–4
 - and Fisher diagram 422, 423–4
 - IS–LM diagram *see* IS–LM diagram
 - Keynes Effect and interest rate falls 345, 346
- international trade
 - and circular flow diagram 225
 - and elasticity of substitution 53
 - factor price frontier diagram *see* factor price frontier diagram
 - and Fisher diagram 424–5
 - four-quadrant diagram *see* Heckscher–Ohlin model

- free trade *see* free trade
- Kuznets environmental curve 444–5
and non-decreasing returns to scale 72
- offer curve *see* offer curve
- optimal tariff *see* optimal tariff
- and Pareto efficiency 277
- phase diagram technique *see* phase diagram technique and multiple-market equilibrium stability
- Rybczynski Theorem 247
- trade theory diagram *see* trade theory diagram
- utility-possibility frontier *see* utility-possibility frontier
- investment
- intertemporal utility maximisation *see* Fisher diagram
- Markowitz mean-variance diagram *see* Markowitz mean-variance diagram
- and savings, IS–LM diagram *see* IS–LM diagram
- Irmen, A. 181
- IS–LM diagram 9, 16, 348–55
and aggregate demand aggregate supply diagram 371, 374
comparative static thought experiments 351–2
consumption function representation 353–4
extensions 352–4
and Fleming–Mundell diagram 357, 359–60
Hansen contribution 353–4
Hicks trade cycle analysis 353
Hicks's 1937 diagram 349–50
Hicks's September 1936 Conference diagram (CC–LL diagram) 348–9, 350–51
Hicks's value and capital methods and CC–LL and IS–LL diagrams 350–51
IS–LL to IS–LM transition 352–4
Keynes's general theory, interpreting and representing 337, 346, 350, 354
and liquidity trap 349–50
- multi-quadrant and multi-dimension representations 353
and Phillips curve 380, 381–3
isoquants 6, 9, 20, 44, 46–8
and elasticity of substitution 47, 50–51, 52, 54
and homothetic production and utility functions 47, 70
history of 46
- Jackson, M., graph theory and networks 214, 216
- Jantzen, I., 45 degree macroeconomic diagram 339
- Jenkin, F. 4, 12
Marshallian cross diagram *see* Marshallian cross diagram
- Jevons, W. 12, 233
- Johannsen, N., circular flow diagram 226
- Johnson, G. 442
- Johnson, H. 22, 329
four-quadrant diagram *see* Heckscher–Ohlin model
indifference curves 43
trade theory diagram 314
- Johnson, W. E., indifference curves 43
- Jones, Ronald W. 245–51, 298, 362
Stolper–Samuelson theorem 303
- Jorgenson, D. 69, 70
- Joseph, M. 75
- Kahn, R. 154
elasticity of substitution 52
- Kakwani, Nanak 432–8
- Kaldor, N. 175, 195
cobweb diagrams 184
and h-c test 110
IS–LM diagram 352
- Kannai, Y., utility-possibility frontier 259
- Kaplow, L. 106
- Kats, A. 182
- Katz, L. 442
- Kemp, Murray 250, 255, 295–9, 328–31
- Kendrick, J. 54
- Kenen, P. 254–5
- Keppler, J. 76

- Keynes, J.M. 1, 12–13, 23
 and circular flow diagrams 223–5
 demand for money and Cambridge version of quantity theory 403, 404
 non-neutrality of money *see* non-neutrality of money
- Keynesian income determination diagram 22, 337–47
 45 degree or Keynesian cross diagram 338–9, 342, 343, 346, 353, 370
 aggregate supply–aggregate demand diagram (AS–AD) 344–6
 aggregate supply–aggregate demand diagram (AS–AD), adjustment process and Keynes and Pigou effect 374
 aggregate supply–aggregate demand diagram (Z/D–N) 339, 342–4, 354
 and constant price level 342
 and exports and imports 339, 340
 and government expenditure and taxation 339, 340
 and Hansen IS–LM diagram 353
 injections–withdrawals or Keynesian cross diagram 339–41
 and IS–LM diagram 337, 346, 350, 354
 Keynes Effect and interest rate falls 345, 346
 and Marshallian cross diagram, differences between 340
 Patinkin adaptation 341–2
 and Phillips curve *see* Phillips curve
 and Pigou real balance effect 342, 345
 psychological law of income increase and consumption decrease 339
 and Say's Law 339
 wage units as measure of value 337
- Killingsworth, M. 161, 164
- Kindleberger, C., Keynesian income determination diagram 340
- King, John E. 161–9
- kinked demand curves 14, 21, 152, 154–8
 criticism of model 156–7
 and discontinuous marginal revenue 156
 and goods differentiation 157
 and imagined demand curve 154, 155
 and price stability 156
 static quality of model 157
 and tacit collusion 156
 and unilateral price changes 154–5
- Kiyotaki, N. 407
- Klappholz, K. 376
- Klein, J. 1, 11, 384
- Knight, F. 195
 circular flow diagram *see* circular flow diagram
 marginal product function 48
- Knorr, W. 6
- Kolm, S., inequality measures 434
- Kreps, D. 138
- Krueger, A.B. 443, 444
- Krueger, Anne O. 21, 23, 204–8
- Krugman, P. 152, 249, 362
 integrated world equilibrium diagram 327
- Kuczynski, M. 228
- Kuga, K. 270
- Kuhn–Tucker (complementary slackness) conditions, factor price frontier diagram 263
- Kurz, H. 270
- Kuznets, S. 68
 and real social income measures 253
- Kuznets curve 23, 439–46
 controversies 441–2
 income inequality and political economy 441
 income inequality and rural–urban migration 439–40
 and inter- and intra-country variations 441–2
 interpretation of 439–40, 441
 inverted-U curve 439–42
 as law of economic growth 440–41
 and service sector 442
 as statistical regularity 440–41
- Kuznets curve, environmental curve 16, 23, 442–5
 conceptual critique 444–5
 controversies 444–5

- history of 443
- and international trade effect 444–5
- interpretation of 443–4
- methodological critique 445
- and pollution levels 444–5
- labour market
 - backward-bending labour supply curves *see* backward-bending labour supply curves
 - and rent-seeking behavior 207
- Laffer curve 15, 23, 412–18
 - Anglo-American comparison of use 414–15
 - and backward-bending labour supply curves 168–9
 - empirics 415–16
 - and endogenous growth models 415
 - history and significance 412–15
 - and income inequality 416
 - and labour and capital supply 415–16
 - and political potential 414, 417
 - and progressive income tax structures 415
 - tax rate and revenue relationships 32–3
 - and US Economic Recovery Tax Act 413–14
 - and Washington consensus 414, 416–17
- Laidler, David 401–5
- Lallement, J. 76
- Lancaster, K. 107, 179
 - theory of second best *see* theory of second best and third best
- land use, location theory *see* location theory
- Lange, O. 184, 255, 259
 - IS–LM diagram 353
 - Pareto efficiency 277
- Lardner, D. 128
- Larkin, J. 17
- Launhardt, W.
 - location theory *see* location theory
 - product differentiation and spatial competition 182
- Law, J. 384
- Lee, Cassey 80–82, 212–16
- Leicester, A. 122
- Lenfant, J.-S. 62
- Leontief, W. 16, 184
 - production possibilities frontier *see* production possibilities frontier trade theory diagram 313
- Lerner, A. 1, 7, 15, 16
 - elasticity of substitution 52–3, 54
 - isoquants *see* isoquants
 - Pareto efficiency 278
 - production possibilities frontier 245
 - Stolper–Samuelson box *see* Stolper–Samuelson box
- Lerner diagram 14, 15, 16, 22, 305–10
 - extensions 306–9
 - factor intensities and allocations 306, 307
 - history of 305
 - and Heckscher–Ohlin model 305
 - and isoquants 305, 306, 307–9
 - price increase effect 306, 307–9
 - and social indifference map 315–16
 - technology improvement effect 306, 307–9
 - trade theory diagram 313, 315–16
 - two-cone model 308–9
- Leser, C. 430
- Lewis, J. 430
- Lieben, R., monopoly and price discrimination *see* monopoly and price discrimination
- Lindahl, E.
 - IS–LM diagram 353
 - Lindahl–Bowen optimal solution, and utility-possibility frontier 254
- Lipsey, Richard G. 22, 107, 110–20, 170–78, 365–92
 - circular flow diagram 225
 - theory of second best 286, 287, 288, 290
- List, J. 441, 442
- Little, I., and welfare distribution 117–18
- Liu, L. 108, 215
- Lloyd, Peter 1–23, 43–9, 272–9, 311–16
- Lloyd Pritchard M. 34
- Loasby, B. 152
- location theory 21, 170–78
 - and land rent 171–2
 - Lösch’s hexagons 172–7

- and market economics 172–7
- and monopolistic competition 174–5
- and new entrants 174–5
- transportation costs and block metric 175–7
- von Thünen's circles 170–72, 177
- logistic growth curve 21, 209–11
 - applications 210
 - and discrete choice, statistical analysis of 210–11
- Lomborg, B. 443
- long-run and short-run cost curves 20, 73–9
 - and constant returns to scale 75
 - first U-shaped 76
 - relationship between 75–7
 - and theory of the competitive firm 77–8
 - Wong–Viner envelope theorem 76–7
- Lorenz curve 5, 23, 432–8
 - applications 436
 - and inflation 436
 - relative and absolute inequality 433–5
 - and social welfare 435–6, 437
 - and taxation 436
- Lösch, A., location theory *see* location theory
- Lucas, R. 371, 376, 385
- Lutfalla, G., IS–LM diagram 352

- Maas, H. 17
- McConnell, C., circular flow diagram 225
- McDonald, I., non-neutrality of money diagram *see* non-neutrality of money diagram
- McFadden, D. 55
- Machlup, F. 54
- McKenna, J. 346, 371
- McKenzie, G. 102
- McKenzie, L. 250
- Maclachlan, Fiona 73–9, 199–203
- McManus, M., theory of third best *see* theory of second best and third best
- Maneschi, A. 250
- Mangoldt, H. von, Marshallian cross diagram *see* Marshallian cross diagram
- Mankiw, N. 406
 - SRAS curve 372, 386–7, 388
- Mantel, R., utility-possibility frontier 259
- Markowitz mean-variance diagram 21, 199–203
 - asset allocation line 202
 - criticism of not being economics 203
 - history of 201–2
 - and portfolio efficiency 201, 202
 - variance as measure of risk 201
- Marris, R. 407
- Marschak, J. 200–201, 202
 - Keynesian aggregate supply and demand curves 345
- Marshall, Alfred. 1, 4–6, 12–13, 60
 - and consumer surplus *see* consumer surplus
 - demand curve and Harberger triangles 106
 - demand curve for money *see* demand curve for money
 - marginal product function 1, 4–6, 12–13, 20, 22
 - and monopolistic competition 145, 149
 - monopoly and price discrimination *see* monopoly and price discrimination
 - multiple equilibria diagram 282, 283
 - offer curve *see* offer curve
 - phase diagram technique *see* phase diagram technique and multiple-market equilibrium stability
 - pure theory of foreign trade 280–82
 - stability of equilibrium diagram *see* stability of equilibrium diagram
 - theory of the firm in perfect competition 77–8
 - use of geometry 1, 4–6, 12–13, 16, 20, 22
 - and UV (Beveridge) curve 396–7
- Marshallian cross diagram 15, 16, 20, 29–37
 - and Cournot's market demand and supply curve diagram 29–31, 36
 - Dupuit's deadweight loss triangles and monopoly pricing 33

- Dupuit's monopolistic price discrimination and welfare 33–4, 36
- Dupuit's price–times–quantity rectangle 33
- Dupuit's public works' evaluation 33
- and Jenkin's demand and supply curves and first application of cross diagrams 34–5, 36
- and Keynesian cross diagram, differences between 340
- and market-clearing equilibrium 31, 34, 35–6
- welfare theorems from 32–4, 35–6
- Marston, R. 361
- Martin, S., duopoly reaction curves 138, 142
- Mas-Colell, A. 61
- Maskin, E., kinked demand curves 157
- mathematical issues and geometry 3–4, 5, 6–8
- algebra and calculus, use of 7–8
- algebra and geometry comparisons 7–8
- and Ancient Greek mathematicians 6–7
- Matthews, R. 83
- Mayer, W. 248
- Meade, J. 107, 348–9, 359
- Meek, R. 228
- Merton, R. 14, 15
- methodological issues 5–9
- curves fitted to data 5
- geometry, danger of proving propositions by 6
- graphs as expository devices 8–9
- and model dimensions 7
- Michaely, M. 362
- Middleton, Roger 412–18
- Mill, J.S. 10, 328, 384
- Mills, E. 172
- Mishan, E. 376
- and Scitovsky paradox 110, 111, 112, 115–16, 117, 118–19
- Mitscherlich–Spillman function 11
- Modigliani, F.
- demand for money curve 403, 404
- and IS–LM diagram 353
- monopolistic competition 13–15, 21, 145–53
- and behavioral assumptions 151
- Chamberlin's arguments 145–53
- cost curve and product specification 148–50
- and demand and supply conditions 147
- duopoly and oligopoly 148, 152
- and gains from trade, production possibilities frontier 249
- and intra-industry competition 148–50, 152–3
- large group 148–50, 152
- and location theory 174–5
- and marginal producer 147
- and marginal revenue curve 145–6, 147, 152
- market demand (dd) curve 149–50, 151, 152
- monopoly with no free entry in non-neutrality of money 407–9
- and new trade theory 249
- and non-neutrality of money 406–7
- and pure competition 146–7, 148
- small group 150–53
- and spatial distribution of firms 152
- theory essentials 148–50
- see also* duopoly; oligopoly
- monopoly and price discrimination 21, 128–36
- conjectural variation 140
- and cost issue 133–4
- free competition and price discrimination 134–5
- and marginal revenue 128–9, 131, 133
- maximization requirement and curve shapes 129
- monopoly behavior, graphic analysis of 128–9
- price discrimination graphics 129–31
- and profit margins 129–31
- Robinson graph of discrimination 131–4
- and second-best optimality conditions 135
- three-graph approach 131–4
- Moore, H. 185

- Morgan, M. 17
- Mosak, J., substitution and income effects 58–9, 61
- Muellbauer, J., Almost Ideal Demand System 66
- Mueller, D. 107, 417
- Mundell, R., Fleming–Mundell diagram *see* Fleming–Mundell diagram
- Murphy, K. 442
- Muth, J. 188
- Nahman, A. 442, 443, 444, 445
- Nash equilibrium 5, 15, 20, 89–94
 best-reply curves 90–92
 and duopoly reaction curves 139, 140
 and game theory 89–93
 mixed strategies 92–3
 and strategic interaction 89
- Neary, J. 248
 concept of trade restrictiveness index 104
- Negishi, T., utility-possibility frontier 259
- Nemours, P. 10
- Nerlove, Marc 184–90
- networks and graph theory *see* graph theory and networks
- Netz, R. 6
- Neumann, J. von 430
- Neven, D. 181, 182
- Ng, Yew-Kwang 23, 97–109, 121–7, 406–7, 409, 410
 theory of second best and third best 286, 288, 289, 290
- Nikaido, H. 231
- Noel, W. 6
- non-neutrality of money 23, 406–11
 in long run with free entry 409–10
 and menu costs 406, 409, 410
 and monopoly competition 406–7
 in monopoly with no free entry 407–9
 and price stickiness 406–7
- Nordhaus, W. 161
- Norman, V., integrated world equilibrium diagram *see* integrated world equilibrium diagram
- numbers in competition *see* role of numbers in competition
- Obstfeld, M. 362, 363
- offer curve 22, 295–9
 assumptions made 295–8
 and autarkic equilibrium, lack of 298
 and increasing returns to scale 298
 labour supply and commodity and price changes 297–8
 and multiple world equilibria 297–8
- Ohlin, B., Heckscher–Ohlin model *see* Heckscher–Ohlin model
- oligopoly
 market conditions and kinked demand curves *see* kinked demand curves
 and monopolistic competition 148, 152
see also duopoly; monopolistic competition
- optimal tariff 22, 328–31
 and free trade 328–9
 history of 328
 and offer curves 328–30
 and price-taking representative households 329–30
 zero optimal tariff 328, 330
- Osborne, M. 89–90
- Palander, T., IS/LM diagram 353
- Panagariya, Arvind 317–22
- Pareto, V. 7, 15, 61, 107
 Pareto set *see* utility-possibility frontier
- Pareto efficiency 22, 272–9, 300
 allocation problems 275–6
 concept of 272–3
 and economy with production 275–7
 and Edgeworth box 273, 278
 and exchange economy 273–5, 278
 history of 278–9
 and indifference curves 43, 233, 235, 237, 273, 275
 and international trade 277
 and marginal rates of substitution in production 276
 model extensions 276–7

- optimal allocation 274
- and price system 277–8
- and Stolper–Samuelson production box 275–6, 278
- and theory of the second best and third best 286–8
- and Two Fundamental Theorems of Welfare Economics 277–8
- and utility-possibility frontier 273–4
- and welfare economics 110, 117, 237, 316
- Pasinetti, L. 354
 - reswitching and capital reversing diagrams 193
- Patinkin, D. 225, 226, 228, 343, 404
 - aggregate demand and aggregate supply diagram *see* aggregate demand
 - aggregate supply diagram
 - and Keynesian income determination diagram 341–2
- Peacock, A. 415
- Pearce, I., Lerner diagram 305
- Pearl, R. 21, 210
- Petrongolo, B. 399, 400
- Pfouts, R. 97
- phase diagram technique and multiple-market equilibrium stability 22, 280–85
 - and pure theory of foreign trade (Marshall) 280–82
 - and Walrasian general equilibrium theory 280, 282–4
- Phelps, E. 371
 - circular flow diagram 225
 - Phillips curve 385
- Phelps Brown, H. 197
 - backward-bending labour supply curves *see* backward-bending labour supply curves
- Phillips, W., circular flow machine 224–5, 226
- Phillips curve 22, 371, 377–92
 - and aggregate demand aggregate supply diagram 368, 369, 370, 372, 382–4, 386–8
 - basic curve 377–80
 - curve as menu of choice 384–5
 - development, later 389
 - empirical problems 385
 - expectations-augmented Phillips curves 378, 379
 - ‘full employment’ debate 396
 - history and early developments 384
 - as independent concept 386–9
 - and inflation 379, 381–2, 385
 - and IS–LM model 380, 381–3, 384–5
 - as kinked aggregate supply curve replacement 381
 - labour supplied and real wage rate 388–9
 - in macro models 380–84
 - new classical critique and neo-Keynesian response 385–6
 - and non-accelerating-inflationary rate of unemployment (NAIRU) 379, 386, 389–91
 - productivity growth and unemployment 379–80
 - reverse-L aggregate supply curve 380, 381
 - and stabilisation policy 380
 - and stagflation 382–3, 385–6, 389–90
 - and sticky wage explanation 387–8
 - and technological change 390–91
 - unemployment and income gap 381, 387–8
 - upward drift in measured Phillips curves 385
 - wage- and price-Phillips curves 378, 381, 387
- Pigou, A. 33, 76, 83
 - and backward-bending labour supply curves 164
 - and monopolistic competition 145
 - price discrimination 128
 - real balance effect 342, 345
 - taxation of external costs *see* taxation of external costs
- Pinto, J. 182
- Pissarides, C. 398, 399, 400
- Pitchford, J. 430
- Pollack, R. 67
- population growth *see* logistic growth curve
- portfolio diversification *see* Markowitz mean-variance diagram

- Posner, R., rent-seeking diagrams *see*
rent-seeking diagrams
- poverty measurement
backward-bending labour supply
curves 168–9
Engels curves 68
- Prais, S. 65–6, 67
- price
discrimination, and monopoly *see*
monopoly and price
discrimination
fluctuations, self-perpetuating in
agricultural commodities *see*
cobweb diagrams
levels, and demand curve for money
401, 403, 404
stickiness, and non-neutrality of
money 406–7
system, and Pareto efficiency 277–8
- product
differentiation, partial, and duopoly
reaction curves 142–3
price changes, and factor price
frontier diagram 266–8
selection, and spatial competition
see Hotelling's model of spatial
competition
- product exhaustion theorem 20, 80–82
and factor input prices 81
and income distribution 81–2
- production
boundaries of firms, and circular
flow diagrams 221–2
Stolper–Samuelson production box
see Stolper–Samuelson
production box
- production possibilities frontier 22,
245–51
commodity aggregates or
composites 248–9
composite traded commodity 248
endowment case 246, 247
and Heckscher–Ohlin model 248,
250
higher dimensions 246–7
history of 245
and increasing returns to scale 246
monopolistic competition and gains
from trade 249
and new trade theory 249
- Ricardian case 246, 250
Rybczynski Theorem 247
shifts in curves 247–8
special shapes for 246–7
specific factors model 248
world production possibility curves
249–50
- profit maximization, and factor price
frontier diagram 263–5, 268–9
- Quesnay, F., circular flow diagram *see*
circular flow diagram
- Ramsey, F. 135
- Rao, B. 346
- Rau, H. 4
Marshallian cross diagram *see*
Marshallian cross diagram
- reciprocal demand curve *see* offer
curve
- Reder, M., and Pareto efficiency 279
- Reed, L. 21, 210
- Rees, A. 164
- Reid, G. 154
- rent-seeking diagrams 21, 204–8
and consumption possibility frontier
205
extensions and variations 206–7
game-theoretic formulations 207
and government policy 207, 208
history of 205, 207–8
and labor market 207
licensing and bribes 204, 205, 207
monopoly rents, competition for 207
rationed goods and queueing 204,
207
resource use and loss of output
204–5, 208
and risk 205
tariff increases and lobbying 204,
205–6, 207–8
- reswitching and reversing in capital
theory 191–8
Harcourt diagrams 193–5
history of 195–7
Neoclassical perspective 191–2
Wicksell effects 192–3
- Rettenmaier, A. 108
- Ricardo, D. 10
factor price frontier diagram 270

- production possibilities frontiers
 - 246, 250
 - theory of rent 80
- Ricci, U. 184, 188
- Robbins, L., backward-bending labour supply curves *see* backward-bending labour supply curves
- Robinson, J. A. 441
- Robinson, Joan. 14, 15, 33, 193, 354, 441
 - backward-bending labour supply curves *see* backward-bending supply curves
 - classification of technical change 87
 - discriminating monopoly diagram
 - 16, 21, 131–4
 - elasticity of substitution *see* elasticity of substitution
 - factor price frontier diagram 270
 - labour supply curve 16
 - monopolistic competition *see* monopolistic competition
 - monopoly and price discrimination
 - 128, 131–4
 - reswitching and capital reversing diagrams 193, 195
- Rodenburg, Peter 393–400
- Rogoff, K. 362, 363
- role of numbers in competition 21, 239–44
 - contract curve limit 241–2
 - and indifference curves 240–41
 - and price-taking equilibrium 242–3
 - and recontracting 239–43
 - and trader coalitions 242–3
- Romer, D. 406
- Rosen, H., and Harberger triangles 106
- Rothschild, M. 215, 436
- Rothschild, R. 154–8
- Roy, A. 100
 - mean-variance diagram 202
- Rubinstein, A. 89–90
- Ruffin, R. 250
 - Stolper–Samuelson production box 303
- Rybczynski, T. 247, 320
- Salop, S., circular city model and spatial competition 181
- Salvadori, N. 270
- Samuelson, P. 1, 8, 75, 77, 161, 430
 - aggregate production function model 191–2
 - circular flow diagram *see* circular flow diagram
 - and consumer surplus 98
 - and elasticity of substitution 52, 53
 - factor price equalization theorem 306
 - factor price frontier diagram *see* factor price frontier diagram
 - four-quadrant diagram in international economics 322
 - and international trade theory 326–7
 - IS/LM diagram 353
 - Keynesian income determination diagram *see* Keynesian income determination diagram
 - and Lerner diagram 306
 - multiple market competitive equilibrium 282
 - and Pareto efficiency 277, 278
 - Phillips curve 377
 - production possibilities frontier 248
 - reswitching and capital reversing diagrams 191–2, 193, 194–5
 - and social indifference map 315
 - Stolper–Samuelson production box *see* Stolper–Samuelson production box
 - utility-possibility frontier *see* utility-possibility frontier
 - and welfare distribution 118
- Santomero, A. 384
- Sargent, T. 371, 385
- Sato, R., CES function 54, 55
- Sawer, G. 430
- Say's Law, and Keynesian income determination diagram 339
- Scarf, H., general equilibrium theory 231
- Scarth, W. 375
- Scheinkman, J., Stolper–Samuelson production box 303
- Schneider, Michael 337–47
- Schob, R. 122
- Schultz, H. 60, 61, 184–5

- Schumpeter, J. 52, 77, 78
 monopoly and price discrimination
 135, 150
- Schwartz, A. 359
- Scitovsky paradox and community
 indifference curves 5, 7, 20,
 110–11, 113–17
 alternatives to 118–19
 community indifference curves
 118–19
 compensation–bribery test
 115–16
 efficiency analysis and hypothetical
 compensation test (h-c test) 110,
 114–16, 117, 119
 and free trade 316
 and Harberger test 119
 interpretation, conflicting 115–16
 paradox 112–17
 and welfare distribution judgments
 117–18, 252
- Scott, I., IS–LM diagram 353
- Scott, J. 212
- Seater, J. 384
- Second best *see* theory of second best
 and third best
- Segara, J. 14
- Selden, T. 445
- Sen, D., kinked demand curves 157
- Sexton, R. 73, 76
- Shaikh, A. 197
- Sharpe, W., capital asset pricing model
 202–3
- Shephard, R. 263, 265
 homothetic production function *see*
 homothetic production and
 utility functions
- Shi, He-ling 406–11
- Shimomura, K. 328, 329
- Shorrocks, A., Lorenz curve 436
- Shubik, M., duopoly reaction curves
 139
- Shy, O. 213
- Sidgwick, H. 281
- Silberberg, E. 73, 77
- Silio, G. 11
- Simon, H. 17, 197
- Skinner, Andrew 145–53
- Slutsky, E.
 indifference curves 43, 46
 substitution and income effects *see*
 substitution and income effects
- Smith, A. 10
- Smith, W., IS–LM diagram 353
- Smolensky, E., Keynesian income
 determination diagram 344
- social network analysis *see* graph
 theory and networks
- Solow, R.
 aggregate production function
 model 191–2
 classification of technical change *see*
 classification of technical
 change
 non-neutrality of money *see* non-
 neutrality of money
 Phillips curve 377
 UV (Beveridge) curve 395
- Solow–Swan growth model 23, 426–31
 and Cobb–Douglas functional form
 430
 history 430
 and land supply 427
 and multiple equilibria 429
 Solow diagram 428–9
 Swan diagram 427–8, 430
 and technical progress change 426,
 428, 429
- Song, D. 445
- Spence, M. 55
- Spencer (née Swan), Barbara J.
 426–31
- Spencer, D. 167
- Sraffa, P. 76
 capital theory, reswitching and
 reversing in 193
 factor price frontier diagram 270
 stability of equilibrium 20, 38–42
 and Marshall and Walras diagrams,
 differences between 38–41
- stagflation
 and aggregate demand aggregate
 supply diagram 369
 and Phillips curve 382–3, 385–6,
 389–90
- Stern, D. 443, 445
- Stigler, G. 9, 14, 17, 64, 71, 80
- Stigler, S. 15, 18, 36
- Stiglitz, J. 55–6, 152–3, 259, 436
 local network of collaboration 215

- Stolper–Samuelson production box 3, 7, 15, 16, 22, 300–304
 algebraic model, advantages of 303
 and cost minimization 300–302
 equilibrium in 300–302
 extension 303
 factor intensity problems 303
 factor price frontier 267–8, 318
 and Pareto efficiency 275–6, 300
 tariff effect 302–3
- Stonier, A. 6
 Keynesian income determination diagram 344
- Strogatz, S. 215
- Stubblebine, W., Buchanan/
 Stubblebine diagram 122–4, 125
- substitution
 elasticity of *see* elasticity of substitution
 and income effect of wage cut, backward-bending labour supply curves 162–3, 164
- substitution and income effects 58–63
 Hicks compensation and decomposition 59, 60, 61
 Slutsky compensation and decomposition 60–61
 Slutsky derivation of income and substitution effect 5, 14, 20, 58–62
- Sultan, P. 384
- Suri, V. 445
- Swan, T.
 aggregate production function model 191–2
 Solow–Swan growth model *see* Solow–Swan growth model
- Swanson, D. 135
- Sweezy, P. 152
 kinked demand curves *see* kinked demand curves
- Tabuchi, T. 181
- tariff
 effect, Stolper–Samuelson production box 302–3
 increases and lobbying, rent-seeking diagrams 204, 205–6, 207–8
 optimal *see* optimal tariff
 welfare loss due to, and trade theory diagram 314–15, 316
- Tarshis, L., isoquants 46
- Taussig, F. 148
 Taussig–Pigou controversy, and monopolistic competition 146
- taxation of external costs 21, 121–7
 bilateral taxation, beauty of 125–6
 bilateral taxation and damage exaggeration prevention 126
 Buchanan/Stubblebine diagram 122–4, 125
 Coase's critique and ignored asymmetry 124, 125
 textbook diagram 121–2
- taxation policy
 and backward-bending labour supply curves 164–6
 Engels curves 68
 government expenditure and taxation and Keynesian income determination diagram 339, 340
 Harberger triangle *see* Harberger triangle
 Laffer curve *see* Laffer curve
 and Lorenz curve 436
 progressive income tax structures, and Laffer curve 415
 tax rate and revenue relationships, Laffer curve 32–3
 US Economic Recovery Tax Act 413–14
see also government policy
- Taylor, J. 23, 406
- technological change
 and aggregate demand aggregate supply diagram 373
 classifications *see* classifications of technical change
 and elasticity of substitution 53
 as function of time 88
 and Heckscher–Ohlin model 321–2
 and Phillips curve 390–91
- Theocharis, R. 10, 11, 18
- theory of the second best and third best 22, 107, 286–91
 and Cobb–Douglas utility function 290
 and information constraint 288–90
 and Pareto optimality 286–8

- second best policy in triangle 286–7
and welfare optimum 286, 287–8, 290
- Thisse, J.-F. 172, 181
- Thompson, Henry 300–304
- Thompson, T. 11
- Thornton, H. 384
- Thweatt, W. 250
- Timlin, M. 403, 404
IS–LM diagram 353
- Tinbergen, J. 184, 185, 384
- Tirole, J., kinked demand curves 157
- Tobin, J. 375
portfolios and asset allocation line 202
- Todaro, M., rent-seeking model 207
- Torrens, R. 328
- trade theory, Lerner diagram *see* Lerner diagram
- trade theory diagram 22, 311–16
and competitive equilibrium 314
and free trade 311–12, 314–15, 316
and Heckscher–Ohlin model 313, 314
history of 313–15
and international policy issues 314
and Scitovsky test 316
and social indifference map 315–16
welfare loss due to tariff 314–15, 316
- trader bartering
and Edgeworth box *see* Edgeworth box
and role of numbers in competition *see* role of numbers in competition
- Travis, W., integrated world equilibrium diagram 327
- Tullock, G.
rent-seeking diagrams *see* rent-seeking diagrams
welfare costs of monopolistic behavior 107, 108
- unemployment
and rate of change of money wages *see* Phillips curve
and vacancies *see* UV (Beveridge) curve
- unit simplex diagram 21, 230–32
and Brouwer fixed point theorem 231
and general equilibrium theory 231–2
and point-to-point mappings 231
utility-possibility frontier 22, 252–61
Allais contribution 252, 255–8
and Edgeworth box 254
and free trade 255
history of 252–6
and indifference curves 43, 46
and international trade 254–5
and Lindahl–Bowen optimal solution 254
and Pareto efficiency 273–4
possibility locus and welfare 252
possible and impossible situations, separation of 257–8
and real social income measures 253–4
Samuelson and Graaf contributions 252–6, 257–9
situation utility-possibility frontier 254
and social return curve 255–8
- UV (Beveridge) curve 14, 15, 22, 393–400
contemporary economics, role in 397–8
as diagnostic tool for labour market 398
Dow and Dicks–Mireaux (DDM) UV curve 393–5
and equilibrium theories of labour market 397–8
‘full employment’ debate 396
impact on economic theory 395–7
and labour market clearing debate 397–8
and Lilien’s sectoral shift hypothesis 398
and Marshallian supply and demand analysis 396–7
matching function framework 397–8
stability debate 395
and unemployment classification 396
- Uzawa, H.
classification of technical change 87
elasticity of substitution 55

- Varian, H. 61, 284, 414, 417
 Veblen, T. 195
 Vega-Redondo, F. 214
 Velupillai, K. 195
 Verhulst, P.-F., logistic growth curve
 see logistic growth curve
 Viner, J. 145
 envelope theorem and cost curves
 76–7
 marginal revenue 128
 production possibilities frontier *see*
 production possibilities frontier
 trade theory diagram 313
 von Thünen 11
 factor price frontier diagram 270
 location theory *see* location theory
 production function 46

 Wai Chiu Woo 286–91
 Wald, A. 61
 general equilibrium theory 231, 300
 general equilibrium theory and
 phase diagram technique 280,
 282–4
 Wales, T. 67
 Walras, L.
 general equilibrium theory 230
 monopoly and price discrimination
 131, 134
 stability of equilibrium diagram *see*
 stability of equilibrium diagram
 Wan, H. 329
 Wanniski, J. 413, 417
 Washington consensus 414, 416–17
 Weintraub, E. 231
 Weintraub, S., Keynesian income
 determination diagram 343, 344,
 354
 welfare economics
 distribution judgments, and
 Scitovsky paradox and
 community indifference curves
 117–18, 252
 and Lorenz curve 435–6, 437
 loss due to tariff 314–15, 316
 loss measurement in pure monetary
 values, Harberger triangles 107
 Marshallian cross diagram 32–4,
 35–6
 and Pareto efficiency 110, 117, 237,
 316
 and Scitovsky paradox *see* Scitovsky
 paradox and community
 indifference curves
 triangles *see* Harberger triangles
 welfare optimum, and theory of the
 second best and third best 286,
 287–8, 290
 Whalley, John 230–32
 Whitaker, J. 281, 401
 Wicksell, K. 80, 403
 capital theory, reswitching and
 reversing in 192–3
 Wicksteed, P. 20, 80
 Williams, Ross 64–8
 Winch, D., theory of second best 286
 Wong, K. 298
 envelope theorem and cost curves
 76–7
 Woodland, Alan D. 262–71
 Working, E. 188
 Working, H. 66, 67
 Wrightsman, D. 362

 Yellen, J. 406
 Yntema, T. 135
 Young, A., monopoly and patents 146
 Young, Warren 348–64
 Yule, G. 210

 Zhou, Y. 329
 Zilberfarb, B.-Z. 355

