April 1,2013

Introduction: I intend to offer you the essence of the most common revealed preference technique e.g. hedonic approach for non-market goods. The final goal of the lecture is that students can build a general equilibrium model for their own purpose. The basic microeconomics knowledge is required such as utility functions, optimization with constraints, i.e. LaGrange multiplier. But the students who really want to study the foundations of economics are welcome and can get the methods to analyze human and economic behaviors by the help of mathematical modeling. Please read chapters 7, 2,3,4,5 and 1 of Hal Varian's "microeconomics analysis" those who do not have knowledge of intermediate level of economics.

I will talk about cost benefit analysis and valuation methods for public policy and projects including ordinal estimations for market goods and stated preference methods, such as contingent valuation, in environmental and ecological economics.

It should be noted that all students except students who are registered as part time students, i.e. Shakaijin, have to take normal class in English. Shakaijin students must e-mail me by 13th of April 2011 in order to know the schedule of the class. Those who do not attend the first class cannot get credit of this subject.

All students are asked to see and bring my text book which you can borrow from social engineering departmental library or main library.

1 April 11:

Introduction Chapter 1 and 2 hedonic, TCM , CVM, CE

What is willingness to pay?

Revealed preference and consumer's surplus

Schumacher's critics

Traditional hedonic history

Hedonic price and hedonic price function

We will discuss the critics of Schumacher and the role of preference revelation method.

2 April 18: Chapter 2 hedonic

Rosen's model, His economics model, Rosen's two stages method

and his followers Brown and Rosen's and Scotchmer's criticism

3 and 4 April 25, May 2:　do

5,6,7　May 16,23,30: Chapter 3 valuation measure, such as EV and two region general equilibrium model.Kanemoto's overestimation and equality theorem, capitalization, overestimation theorem and equality theorem. And Hidano lab's extension.

8. June 6: Heterogeneity

9. June 13: Midterm exam.