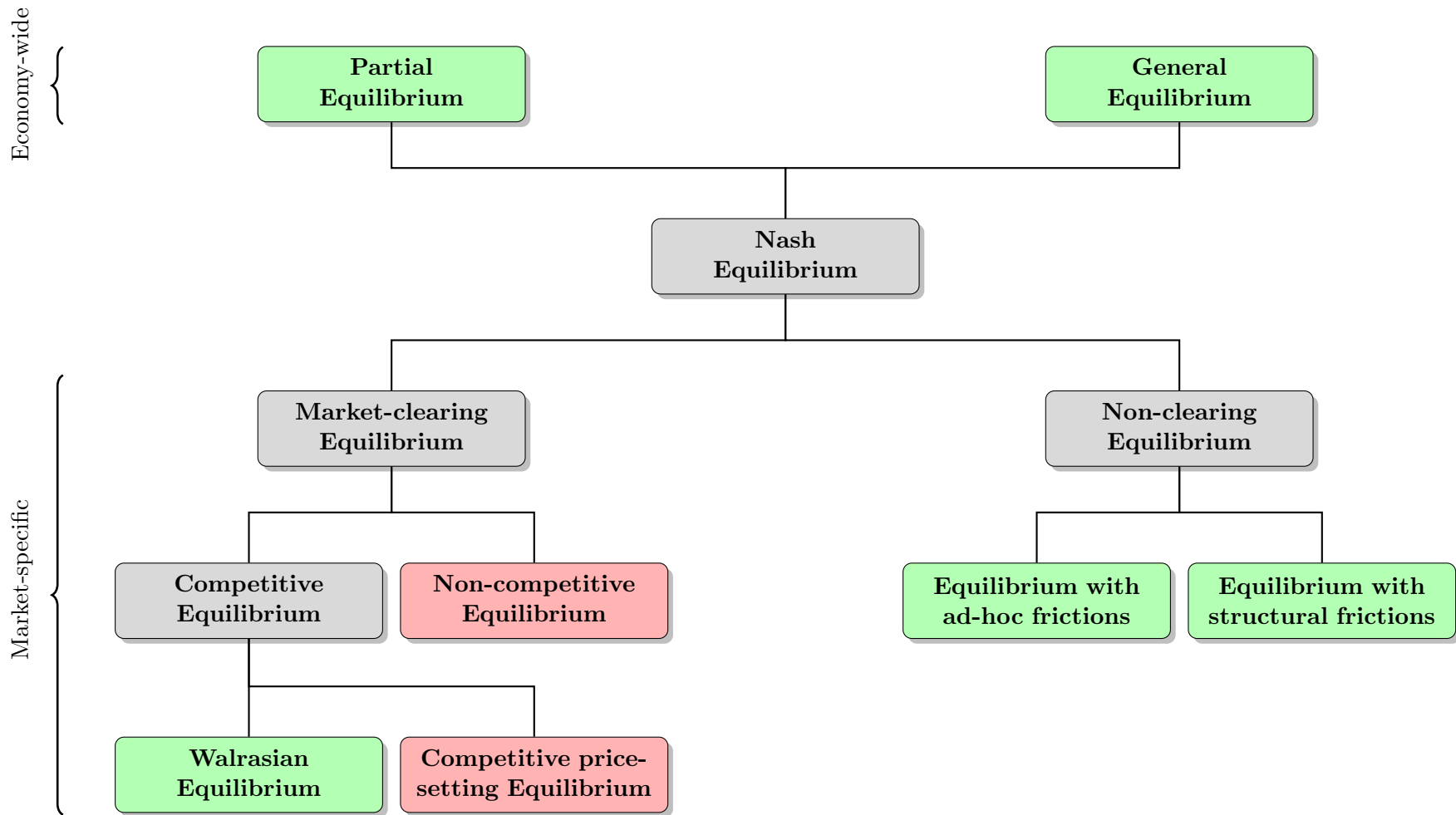


Common Types of Equilibrium in Economics



Notes: The above figure depicts the most well-known types of equilibrium used in economics, of which we will touch on each end of the tree labeled in green throughout our course. In particular, we will make extensive use of markets in which all market participants are price takers, in which case prices will be set by a fictitious third party — the Walrasian auctioneer — whose sole purpose it is to clear the market. We will not discuss competitive price-setting equilibria (Bertrand competition) or non-competitive markets such as oligopolies or monopolies.