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Theory of the Firm

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Editors' Preface to Macmillan Studies in Economics

The rapid growth of academic literature in the field of economics has posed serious problems for both students and teachers of the subject. The latter find it difficult to keep pace with more than a few areas of their subject, so that an inevitable trend towards specialism emerges. The student quickly loses perspective as the maze of theories and models grows and the discipline accommodates an increasing amount of quantitative techniques.

'Macmillan Studies in Economics' is a new series which sets out to provide the student with short, reasonably critical surveys of the developments within the various specialist areas of theoretical and applied economics. At the same time, the studies aim to form an integrated series so that, seen as a whole, they supply a balanced overview of the subject of economics. The emphasis in each study is upon recent work, but each topic will generally be placed in a historical context so that the reader may see the logical development of thought through time. Selected bibliographies are provided to guide readers to more extensive works. Each study aims at a brief treatment of the salient problems in order to avoid clouding the issues in detailed argument. None the less, the texts are largely self-contained, and presume only that the student has some knowledge of elementary micro-economics and macro-economics.

Mathematical exposition has been adopted only where necessary. Some recent developments in economics are not readily comprehensible without some mathematics and statistics, and quantitative approaches also serve to shorten what would otherwise be lengthy and involved arguments. Where authors have found it necessary to introduce mathematical techniques, these techniques have been kept to a minimum. The emphasis is upon the economics, and not upon the quantitative methods. Later studies in the series will provide analyses of the links between quantitative methods, in particular econometrics, and economic analysis.

Contents

<i>Acknowledgements</i>	6
1 Introduction	7
2 Neo-Classical Theories of Profit Maximisation: Origins	11
3 Profit-Maximisation Models: Specific Criticism	17
The perfectly competitive model	17
Pure monopoly	22
Monopolistic competition	23
Oligopoly and duopoly	27
4 Developments of Profit-Maximisation Models	31
Price leadership models	31
Dominant firm price leadership	32
Barometric price leadership	34
Collusive price leadership	34
Price leadership and interdependence	35
The kinked demand curve model	36
Entry forestalling	38
Costs of production	44
X-inefficiency	50
Long-run profit maximisation	51
Uncertainty	54
Game theory	56
5 Alternative Models to Profit Maximisation	60
Utility maximisation	62
Sales revenue maximisation	64
Output maximisation	68
Constrained output and profit maximisation	69
Behavioural theories	70
Cost-plus pricing	73
Growth models	77
6 Conclusion	81
<i>References</i>	85

Acknowledgements

'The' theory of the firm now consists of so many different approaches that no summary of this length could possibly encompass all of them. What I have tried to do is to pull together major developments which have had a continuing impact. Such a selection is inevitably personal, but references have been selected which are not just important in their own right but which, via their own bibliographies, lead the reader to other interesting works. If emphasis on traditional theory is not very great, it is because the aim has been to supplement standard micro-economics textbooks.

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C. J. H.