## CHAPTER

I. INTRODUCTION ..... 1
II. HOUSEHOLDS AND FIRMS ..... 6

1. The Household ..... 6
1.1 Notation ..... 6
1.2 The Labourer's Maximization Behaviour ..... 9
1.3 The Rentier's Maximization Behaviour ..... 10
2. The Firm ..... 12
2.1 Notation ..... 12
2.2 The Firm's Maximization Behaviour ..... 14
III. THE GENERAL EQUILIBRIUM SYSTEM UNDER THE "DUAL-DECISION HYPOTHESIS" ——Disequilibrium-Equilibrium Model- ..... 19
3. The Standard General Market Equilibrium and the General Market Equilibrium under the "Dual-Decision Hypothesis" ..... 19
1.1 Notation ..... 19
1.2 The Standard General Market Equilibrium Condition ..... 19
1.3 The General Market Equilibrium Condition under the "Dual- Decision Hypothesis" ..... 20
4. Assumptions of the Model ..... 20
IV. THE EXISTENCE PROOF ..... 34
5. The Household's and Firm's Budget Constraints and Money Con- straints Rewritten for Convenience ..... 34
1.1 The Household's Budget Constraints and Money Constraints ..... 34
1.2 The Firm's Budget Constraints and Money Constraints ..... 37
6. Construction of Individual Demand or Supply Functions ..... 38
2.1 Modified Individual ex ante Demand or Supply Functions ..... 39
2.1.1 Modified ex ante Demand or Supply Functions of Individual Firms ..... 58
2.1.2 Modified ex ante Demand or Supply Functions of Individual Households ..... 65
2.1.2. a. Demand or Supply Functions of Individual Labourers ..... 65
2.1.2. b. Demand or Supply Functions of Individual Rentiers ..... 68
2.2 Modified Individual Demand or Supply Functions based on the Dual-Decision Hypothesis ..... 73
2.2.1 Modified Demand or Supply Functions of Individual Labourers based on the Dual-Decision Hypothesis ..... 73
7. The Existence Proof (1) - The Model with Modified Functions based on the Dual-Decision Hypothesis - ..... 79
3.1 Notation ..... 79
3.2 The Existence Proof (1) ..... 79
8. The Existence Proof (2) - The Original Model (Non-Modified Functions) based on the Dual-Decision Hypothesis - ..... 93
v. CONCLUSIONS ..... 98
APPENDIX I ..... 100
APPENDIX II ..... 105
APPENDIX III ..... 110
APPENDIX IV ..... 112
REFERENCES ..... 118
