Econ 365- 01,02,03 (S23) Essay 1: The Perfectly Competitive Economy. You have studied the perfectly competitive economy. You know the conditions needed for perfect competition to exist. You understand how individual decisions move the economy to equilibrium. You know what a Pareto efficient equilibrium means, and what it does not. You have also thought about what you consider fair in an economic system, and whether the competitive equilibrium meets your standards for an equitable distribution of society’s resources and wealth. Pull this information together. Write an essay explaining and evaluating the perfectly competitive economy. Your audience is unfamiliar with economic theory. Make sure your essay clearly explains • The assumptions behind perfect competition • How the economy reaches equilibrium • What ‘Pareto efficient’ means and what it does not Then evaluate the perfectly competitive model. In this section of the essay, focus on the issues most important to you. Some possible questions to address: Are the assumptions realistic? Does perfect competition allocate resources correctly? Is the perfectly competitive outcome fair? Conclude with your opinion of the perfectly competitive model. What role should this idea play in society?