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The Law of Supply in Games Markets and Matching Models

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In large games with transferable utility, core payoffs satisfy a comparative statics property; if the proportion of one type of player increases, then the core payoff to that type of player decreases (does not increase). In games derived from markets, one would conjecture that the decrease in core payoff is engineered by a decrease in the relative value of the endowment held by the agents who become more plentiful (even if all prices change). We show that this is true in markets with quasilinear utility functions. We also discuss how the law of supply applies to matching models.