4. Equilibrium and Adjustment Costs

4.1. A Simple Model of Supply and Demand
   a. Market Demand
   b. Market Supply (supply to an occupation)
   c. Applications
      • Capital-Skill complementarity (Borjas, section 4-8)
      • Immigration (Borjas, section 5-4)

4.2. Further Applications
   a. Why equilibrium is optimum (handouts)
   b. Incidence of a payroll tax