

**N. B** Note that  $R(x) = X \setminus P^{-1}(x)$  and  $I(x) = R(x) \cap R^{-1}(x)$ .

**DEFINITION 1.1.2** Define a relation  $R : X \rightarrow 2^X$  by  $R(x) = \{x' \in X : x' \succeq x\}$ . The properties of  $\succeq$  (or  $R$ ) are defined as follows. <sup>5</sup>

- (1)  $\succeq$  is **reflexive** if, for every  $x \in X$ ,  $x \succeq x$ .
- (2)  $\succeq$  is **complete** if, for every  $x, x' \in X$ ,  $x' \succeq x$  or  $x \succeq x'$ .
- (3)  $\succeq$  is **transitive** if  $x \succeq x'$  and  $x' \succeq x''$  implies that  $x \succeq x''$ .
- (4)  $\succeq$  is **weakly monotonic** if  $x' \geq x$  implies  $x' \succeq x$ .
- (5)  $\succeq$  is **monotonic** if  $x' \gg x$  implies  $x' \succ x$ .
- (6)  $\succeq$  is **strongly monotonic** if  $x' > x$  implies  $x' \succ x$ .
- (7)  $\succeq$  is **nonsatiated** if, for every  $x \in X$ , there is  $x' \in X$  such that  $x' \succ x$ .
- (8)  $\succeq$  is **locally nonsatiated** if, for every  $x \in X$ , for every  $\varepsilon > 0$ , there is a  $x' \in B_\varepsilon(x) \cap X$  such that  $x' \succ x$ .
- (9)  $\succeq$  is **convex** if  $x' \succeq x$  and  $x'' \succeq x$  implies  $\alpha x' + (1 - \alpha)x'' \succeq x$  for every  $\alpha \in [0, 1]$ .
- (10)  $\succeq$  is **semi-strictly convex** if  $x' \succ x$  implies  $\alpha x' + (1 - \alpha)x \succ x$  for  $\alpha \in (0, 1]$  and  $x' \sim x$  implies  $\alpha x' + (1 - \alpha)x \succeq x$  for every  $\alpha \in [0, 1]$ .
- (11)  $\succeq$  is **strictly convex** if  $x' \succeq x$  and  $x'' \succeq x$  and  $x' \neq x''$  implies  $\alpha x' + (1 - \alpha)x'' \succ x$  for every  $\alpha \in (0, 1)$ .
- (12)  $\succeq$  has an **extremely desirable bundle**  $v$  if for every  $x \in X$  and for every  $\alpha \in R_+$ ,  $x + \alpha v \in \{x' \in X : x' \succ x\}$ .

---

<sup>5</sup>Define a relation  $P : X \rightarrow 2^X$  by  $P(x) = X \setminus R^{-1}(x) = \{x' \in X : x' \succ x\}$ .

- (1)  $\succ$  is **irreflexive** if  $x \notin P(x)$ .
- (2)  $\succ$  is **transitive** if  $x \in P(y)$  and  $y \in P(z)$  implies  $x \in P(z)$ .
- (3)  $\succ$  is **continuous** if  $P(x)$  and  $P^{-1}(x)$  are open for every  $x \in X$ .
- (4)  $\succ$  is **monotonic** if  $x' \gg x$  implies  $x' \in P(x)$ .
- (5)  $\succ$  is **strictly monotonic** if  $x' > x$  implies  $x' \in P(x)$ .
- (6)  $\succ$  is **convex** if  $P$  is convex-valued.
- (7)  $\succ$  is **strictly convex** if  $x \neq x'$  implies that  $\alpha x + (1 - \alpha)x' \in P(x) \cup P(x')$  for every  $\alpha \in (0, 1)$ .