## Summary

# Welfare Analysis of a General Equilibrium Model with Default Risks as Market Variables

Fumihiro KANEKO

Although standard market models prohibit the possibility of defaults on the delivery of goods, services, money, credits, etc., in the real world, defaulting is admitted in economic trades under some circumstances, and even backed as a legal right of economic agents.

In this paper, I introduce a general equilibrium model on trades of general binary contracts, where default risks, as probabilities that contracts are nullified by either side, are publicly observable market variables which agents treat as given. I define a refined equilibrium and a social allocation mechanism of this model, and, show that, under several structural assumptions on the refined equilibrium or the allocation mechanism, the first welfare theorem and the second welfare theorem holds in this model. These results are counterparts of the welfare theorems obtained in the adverse selection models, where there are many types of buyers but only one type of seller, and a type of a buyer is a private information.

# Summary

## Consent in Pay-for-Performance Systems and Accounting Measures of Performance Evaluation

**Akihiko Uchiyama**

This paper studies the importance of consent in pay-for-performance systems and investigates the meaning of accounting measures in performance evaluation systems. The discussion is based on many investigations and researches into pay-for-performance systems, performance evaluation systems and management systems in Japanese and U.S. companies.

In Japanese companies, especially large-sized ones, pay-for-performance systems have diffused for recent ten years. But on the other hand, they have many problems that should be solved, one of the most important ones is maintaining consent of the evaluated in performance evaluation systems. It is seemed to be a key for the success of introducing and applying pay-for-performance systems. Consent of the evaluated is supposed to be given from the confidence to measures and information of evaluation. Investigations conducted in Japanese and U.S. large companies make it clear that many executives and managers trust accounting measures highly in performance evaluation systems to decide performance-related pay.

# Summary

## Measurement Analysis of the Cultivated Acreage and Abandoned Cultivated Lands

Hiromichi Inaba

The rate of food self-sufficiency of Japan drops below 50 percent. Is it because the farmland is few in Japan ? It is not so. The utilization rate of cultivated land has decreased, and a lot of abandoned cultivated lands exist. Data according to old cities, towns, and villages in Chiba Prefecture was used and analyzed. Whether to cause the abandoned cultivated land in any factor ? The computational method is a decision tree analysis method. A target variable is a cultivation abandonment area rate. A target variable was analyzed by the regression tree like a quantitative variable. The abandoned cultivated land rate was converted into amount of rank series at the same time. Amount of rank series was made a target variable and it calculated with the classification tree. The variable that relates to the cultivation abandonment as a result of two analyses is a cultivated acreage a household. The scale expansion will prevent the cultivation abandonment.