Homework for Experiment 2.   Section: 1

Problem 2.1
Table 2.6: Demand Table for Sessions 1 and 2

Price Range	Amount Demanded
P>$25	0
$20<P<$25	6
$5<P<$20	19
P<$5	25

Problem 2.2
Part a) How many fish will be supplied at a price of $15?   13
Part b) How many fish will be supplied at a price of $5?   13
Part c) How many fish will be supplied at a price of $1   13
Part d) What can you conclude about the supply curve for fish at positive prices?
          At all positive prices,   13 fish will be supplied.

Problem 2.3

Figure 2.2: Supply and Demand in Sessions 1 and 2.
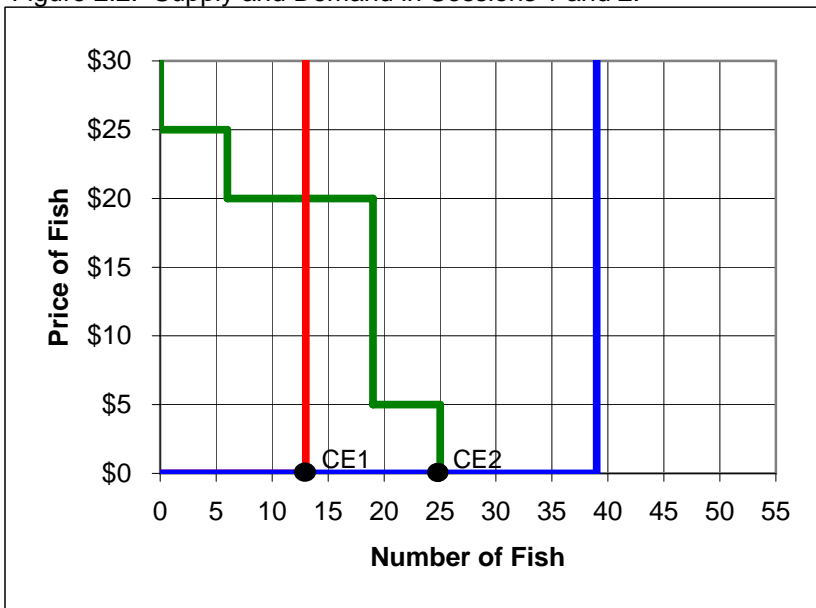
Problem 2.4
Table 2.7: Predictions and Outcomes in Session 1

	Experimental Outcome	Competitive Prediction
Mean Price	$16.65	$20.00
Number of Fish Sold	13	13
Total Fishermens' Profit	$86.50	$130.00
Total Demanders' Profit	$68.50	$30.00
Total Profits All Participants	$155.00	$160.00

Problem 2.5
Table 2.8: Predictions and Outcomes in Session 2

	Experimental Outcome	Competitive Prediction
Mean Price	$4.27	$0.00
Number of Fish Sold	24	25
Total Fishermens' Profit	-$27.50	-$130.00
Total Demanders' Profit	$332.50	$440.00
Total Profits All Participants	$305.00	$310.00

Problem 2.6
a) The number of fish caught increased from   13 to   39 .
b) The mean price of fish (rose?f<u>ell</u>?) from $16.65 to $4.27 .
c) Total profits of fishermen (rose?<u>fell</u>?) from $86.50 to   -$27.50 .
d) Total consumer surplus (<u>rose</u>?fell?) from $68.50 to $332.50 .

Problem 2.7
a) The mean price of fish (rises?<u>falls?</u>) from $20.00 to $0.00 .
b) Total profits of fishermen (rises?<u>falls</u>?) from $130.00 to   -$130.00 .
c) Total consumers' surplus (<u>rises</u>?falls?) from $30.00 to $440.00 .

Problem 2.8
a) if he expects the price of fish to be $3?   no
b) if he expects the price of fish to be $7?   yes