Homework for Experiment 2.   Section: 5

Problem 2.1
Table 2.6: Demand Table for Sessions 1 and 2
Price Range   Amount Demanded
P>$25   0
$20<P<$25   7
$5<P<$20   23
P<$5   30

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

Problem 2.3

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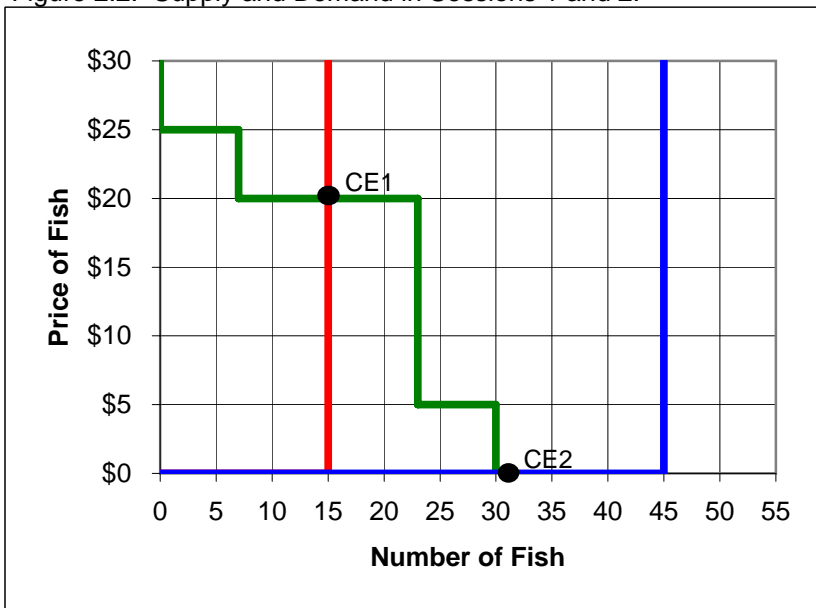
Problem 2.4
Table 2.7: Predictions and Outcomes in Session 1

	Experimental Outcome	Competitive Prediction
Mean Price	$17.88	$20.00
Number of Fish Sold	15	15
Total Fishermens' Profit	$118.25	$150.00
Total Demanders' Profit	$61.75	$35.00
Total Profits All Participants	$180.00	$185.00

Problem 2.5
Table 2.8: Predictions and Outcomes in Session 2

	Experimental Outcome	Competitive Prediction
Mean Price	$3.01	$0.00
Number of Fish Sold	30	30
Total Fishermens' Profit	-$59.80	-$150.00
Total Demanders' Profit	$439.80	$530.00
Total Profits All Participants	$380.00	$380.00

Problem 2.6
a) The number of fish caught increased from 15 to 45 .
b) The mean price of fish (rose?f<u>ell</u>?) from $17.88 to $3.01 .
c) Total profits of fishermen (rose?<u>fell</u>?) from $118.25 to -$59.80 .
d) Total consumer surplus (<u>rose</u>?fell?) from $61.75 to $439.80 .

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 $150.00 to -$150.00 .
c) Total consumers' surplus (<u>rises</u>?falls?) from $35.00 to $530.00 .

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