

Experiment 1

Section:

1

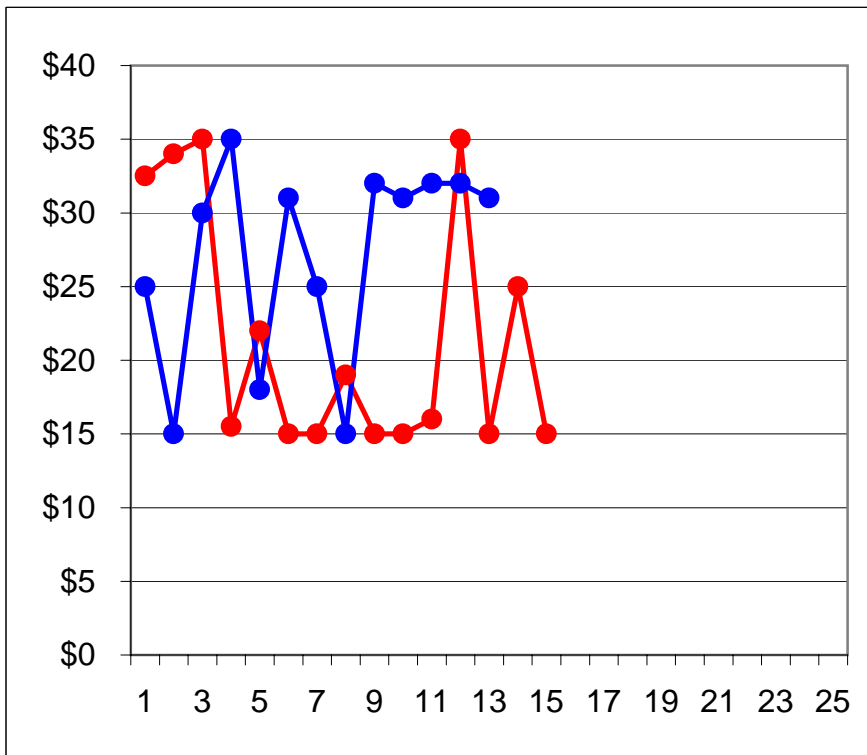
Problem 1.1

Table 1.8

	Session 1	Session 2
Mean Price	\$21.60	\$27.08
Number of Transactions	15	13
Total Profit of All Sellers	\$94.00	\$82.00
Total Profit of All Buyers	\$96.00	\$148.00
Total Profit of All Traders	\$190.00	\$230.00

Problem 1.2

Figure 1.5



Problem 1.3

Table 1.9: Supply Table: Session 1

Price Range	Amount Supplied
$P < \$10$	0
$\$10 < P < \30	12
$P > \$30$	18

Table 1.10: Demand Table: Session 1

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \40	6
$P < \$20$	18

Table 1.11: Supply Table: Session 2

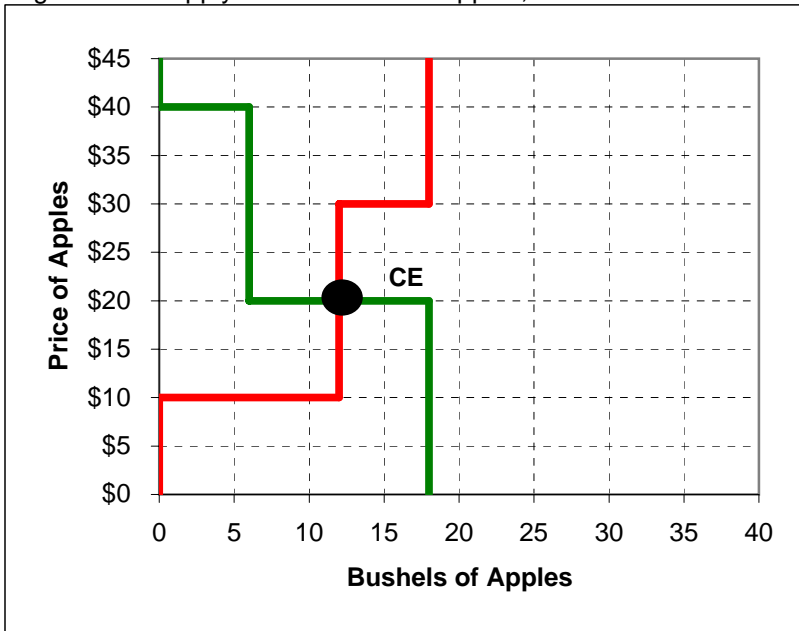
Price Range	Amount Supplied
$P < \$10$	0
$\$10 < P < \30	6
$P > \$30$	18

Table 1.12: Demand Table: Session 2

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \40	12
$P < \$20$	18

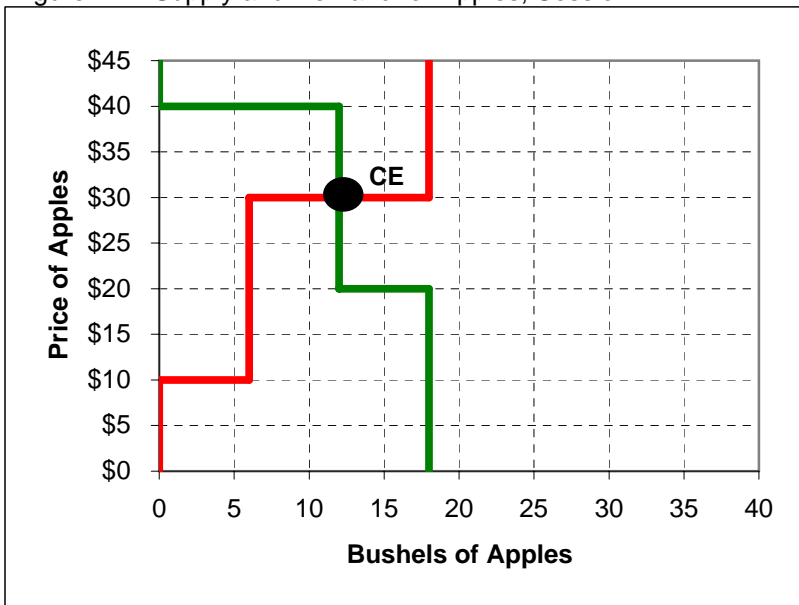
Problem 1.4

Figure 1.6: Supply and Demand for Apples, Session 1



Problem 1.5

Figure 1.7: Supply and Demand for Apples, Session 2.



Problem 1.6

Table 1.13 Predicted and Actual Outcomes-Session 1

	Exper. Outcome	Comp. Predict.
Mean Price	\$21.60	\$20
Number of Transactions	15	12
Total Profit of Sellers	\$94.00	\$120.00
Total Profit of Buyers	\$96.00	\$120.00
Total Profits of All Traders	\$190.00	\$240.00
Market Efficiency	79%	100.00%

Table 1.14 Predicted and Actual Outcomes-Session 2

	Exper. Outcome	Comp. Predict.
Mean Price	\$27.08	\$30
Number of Transactions	13	12
Total Profit of Sellers	\$82.00	\$120.00
Total Profit of Buyers	\$148.00	\$120.00
Total Profits of All	\$230.00	\$240.00
Market Efficiency	96%	100.00%

Problem 1.7

Table 1.15 Who Trades? - Session 1

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	11	12
# of High-Cost Sellers	4	0
# of High-Value Buyers	6	6
# of Low-Value Buyers	9	6

Table 1.16 Who Trades? - Session 2

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	6	6
# of High-Cost Sellers	7	6
# of High-Value Buyers	12	12
# of Low-Value Buyers	1	0

Problem 1.8

Part a.

Number of Transactions	18
Commissions	\$36

Part b.

Arrange as in competitive equilibrium. It maximizes total profit.

Transactions	12
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Part c.

Arrange as in competitive equilibrium.

If 10% of profits, you want to maximize total profits.