Experiment 1 Section: 10

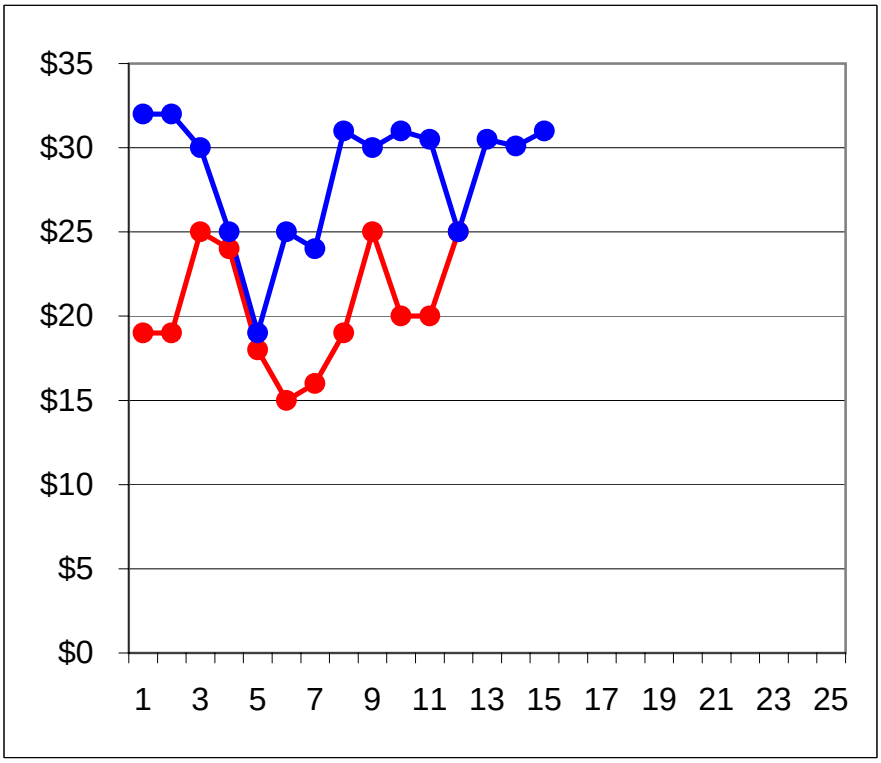
Problem 1.1

Table 1.8

| | Session 1 | Session 2 |
|---|---|---|
| Mean Price | $20.42 | $28.41 |
| Number of Transactions | 12 | 15 |
| Total Profit of All Sellers | $125.00 | $116.10 |
| Total Profit of All Buyers | $115.00 | $153.90 |
| Total Profit of All Traders | $240.00 | $270.00 |

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 | 13 |
| P>$30 | 20 |

Table 1.10: Demand Table: Session 1

| Price Range | Amound Demanded |
|---|---|
| P>$40 | 0 |
| $20<P<$40 | 7 |
| P<$20 | 21 |

Table 1.11: Supply Table: Session 2

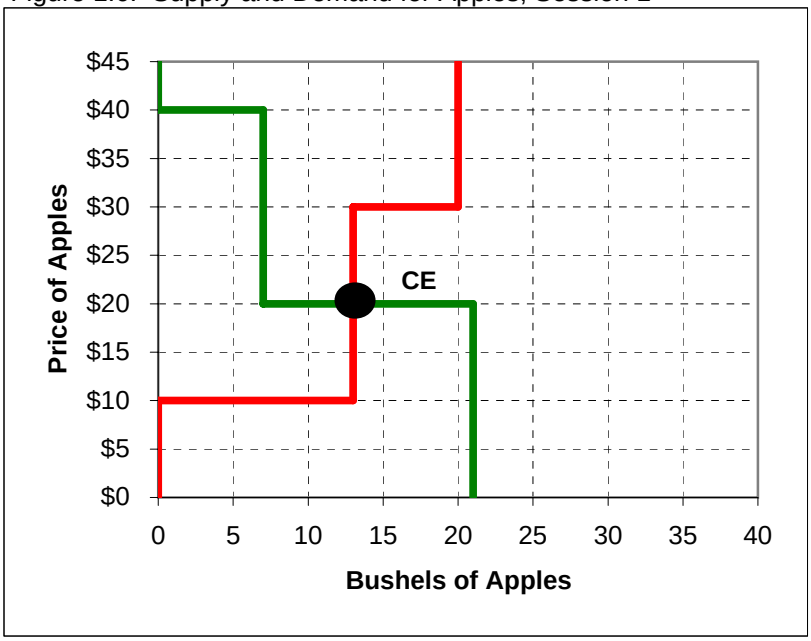
| Price Range | Amount Supplied |
|---|---|
| P<$10 | 0 |
| $10<P<$30 | 7 |
| P>$30 | 20 |

Table 1.12: Demand Table: Session 2

| Price Range | Amound Demanded |
|---|---|
| P>$40 | 0 |
| $20<P<$40 | 14 |
| P<$20 | 21 |

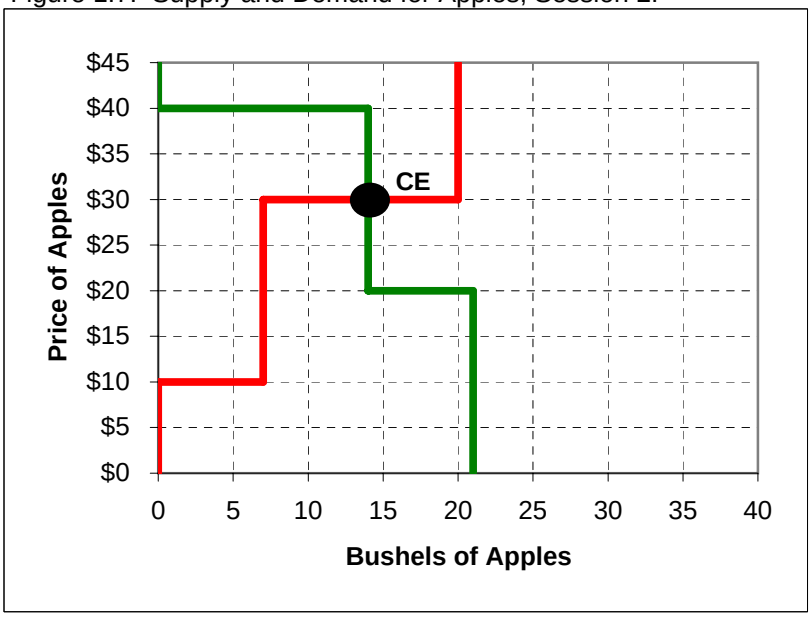
Problem 1.4

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 | $20.42 | $20 |
| Number of Transactions | 12 | 13 |
| Total Profit of Sellers | $125.00 | $130.00 |
| Total Profit of Buyers | $115.00 | $140.00 |
| Total Profits of All Traders | $240.00 | $270.00 |
| Market Efficiency | 89% | 100.00% |

Table 1.14 Predicted and Actual Outcomes-Session 2

| | Exper. Outcome | Comp. Predict. |
|---|---|---|
| Mean Price | $28.41 | $30 |
| Number of Transactions | 15 | 14 |
| Total Profit of Sellers | $116.10 | $140.00 |
| Total Profit of Buyers | $153.90 | $140.00 |
| Total Profits of All | $270.00 | $280.00 |
| Market Efficiency | 96% | 100.00% |

Problem 1.7

Table 1.15 Who Trades? - Session 1

| | Exper Outcome | Comp. Predict. |
|---|---|---|
| # of Low-Cost Sellers | 12 | 13 |
| # of High-Cost Sellers | 0 | 0 |
| # of High-Value Buyers | 6 | 7 |
| # of Low-Value Buyers | 6 | 6 |

Table 1.16 Who Trades? - Session 2

| | Exper Outcome | Comp. Predict. |
|---|---|---|
| # of Low-Cost Sellers | 7 | 7 |
| # of High-Cost Sellers | 8 | 7 |
| # of High-Value Buyers | 14 | 14 |
| # of Low-Value Buyers | 1 | 0 |

Problem 1.8
Part a.

| | |
|---|---|
| Number of Transactions | 20 |
| Commissions | $40 |

Part b.
Arrange as in competitive equilibrium. It maximizes total profit.

| | |
|---|---|
| Transactions | 13 |

Part c.
Arrange as in competitive equilibrium.
If 10% of profits, you want to maximize total profits.