

Experiment 1

Section:

9

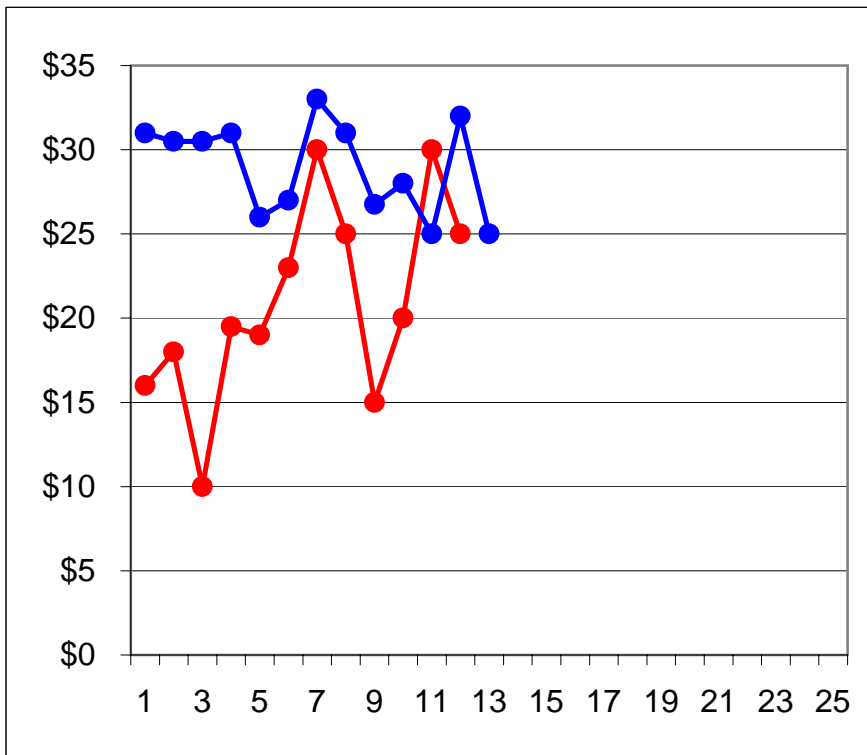
Problem 1.1

Table 1.8

	Session 1	Session 2
Mean Price	\$20.88	\$28.98
Number of Transactions	12	13
Total Profit of All Sellers	\$130.50	\$126.75
Total Profit of All Buyers	\$129.50	\$143.25
Total Profit of All Traders	\$260.00	\$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
$\$10 < P < \$30$	12
$P > \$30$	18

Table 1.10: Demand Table: Session 1

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \$40$	7
$P < \$20$	21

Table 1.11: Supply Table: Session 2

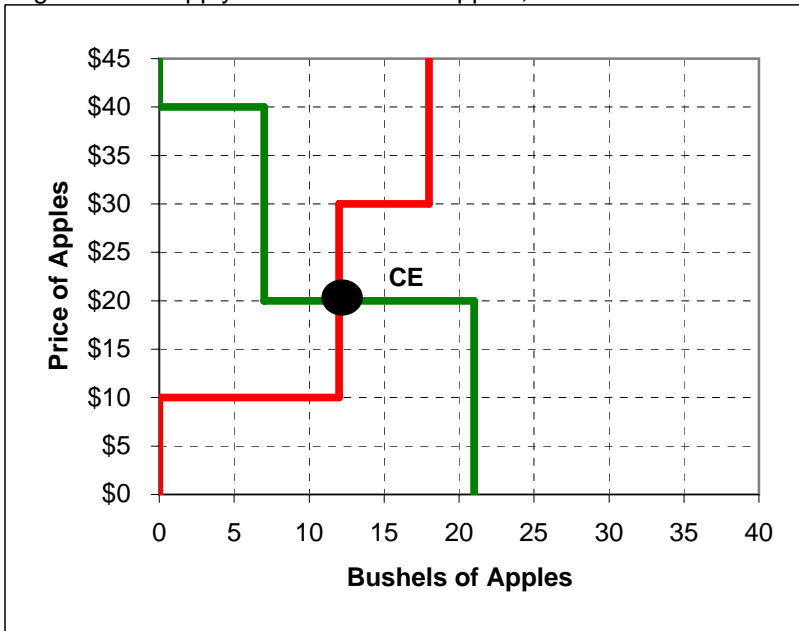
Price Range	Amount Supplied
$P < \$10$	0
$\$10 < P < \$30$	7
$P > \$30$	20

Table 1.12: Demand Table: Session 2

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \$40$	13
$P < \$20$	19

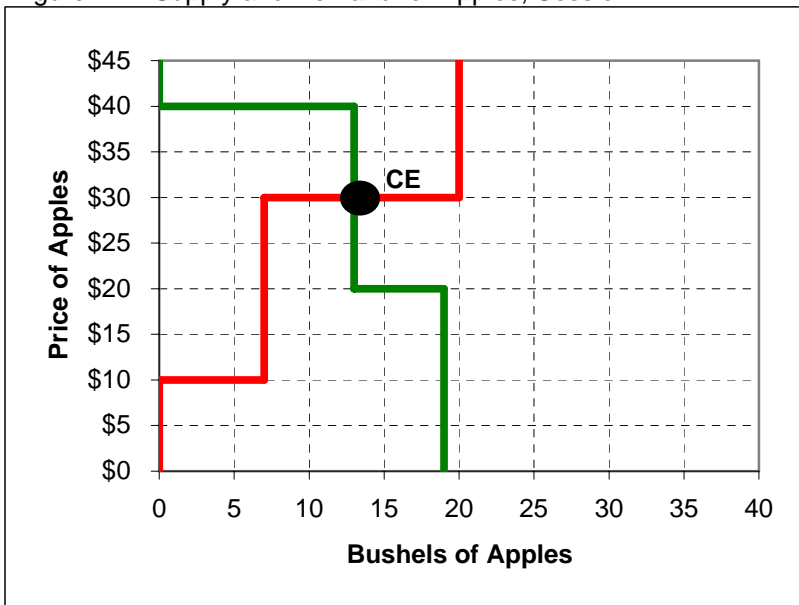
Problem 1.4

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	\$20.88	\$20
Number of Transactions	12	12
Total Profit of Sellers	\$130.50	\$120.00
Total Profit of Buyers	\$129.50	\$140.00
Total Profits of All Traders	\$260.00	\$260.00
Market Efficiency	100%	100.00%

Table 1.14 Predicted and Actual Outcomes-Session 2

	Exper. Outcome	Comp. Predict.
Mean Price	\$28.98	\$30
Number of Transactions	13	13
Total Profit of Sellers	\$126.75	\$140.00
Total Profit of Buyers	\$143.25	\$130.00
Total Profits of All	\$270.00	\$270.00
Market Efficiency	100%	100.00%

Problem 1.7

Table 1.15 Who Trades? - Session 1

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	12	12
# of High-Cost Sellers	0	0
# of High-Value Buyers	7	7
# of Low-Value Buyers	5	5

Table 1.16 Who Trades? - Session 2

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