Homework for Experiment 2.   Section: 10

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   21
P<$5   27

Problem 2.2
Part a) How many fish will be supplied at a price of $15?   14
Part b) How many fish will be supplied at a price of $5?   14
Part c) How many fish will be supplied at a price of $1   14
Part d) What can you conclude about the supply curve for fish at positive prices?
              At all positive prices,   14 fish will be supplied.

Problem 2.3

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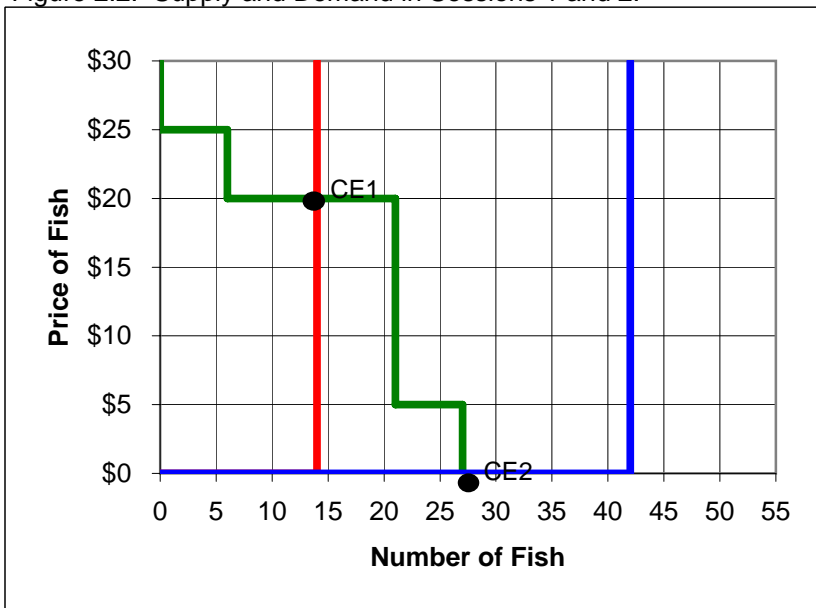
Problem 2.4
Table 2.7: Predictions and Outcomes in Session 1

	Experimental Outcome	Competitive Prediction
Mean Price	$16.79	$20.00
Number of Fish Sold	14	14
Total Fishermens' Profit	$95.00	$140.00
Total Demanders' Profit	$70.00	$30.00
Total Profits All Participants	$165.00	$170.00

Problem 2.5
Table 2.8: Predictions and Outcomes in Session 2

	Experimental Outcome	Competitive Prediction
Mean Price	$2.01	$0.00
Number of Fish Sold	26	27
Total Fishermens' Profit	-$87.72	-$140.00
Total Demanders' Profit	$422.72	$480.00
Total Profits All Participants	$335.00	$340.00

Problem 2.6
a) The number of fish caught increased from   14 to   42 .
b) The mean price of fish (rose?f_ell?) from $16.79 to $2.01 .
c) Total profits of fishermen (rose?f_ell?) from $95.00 to   -$87.72 .
d) Total consumer surplus (_rose_?fell?) from $70.00 to $422.72 .

Problem 2.7
a) The mean price of fish (rises?_falls?_) from $20.00 to $0.00 .
b) Total profits of fishermen (rises?_falls_?) from $140.00 to   -$140.00 .
c) Total consumers' surplus (_rises_?falls?) from $30.00 to $480.00 .

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