Homework for Experiment 2.   Section: 8

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.
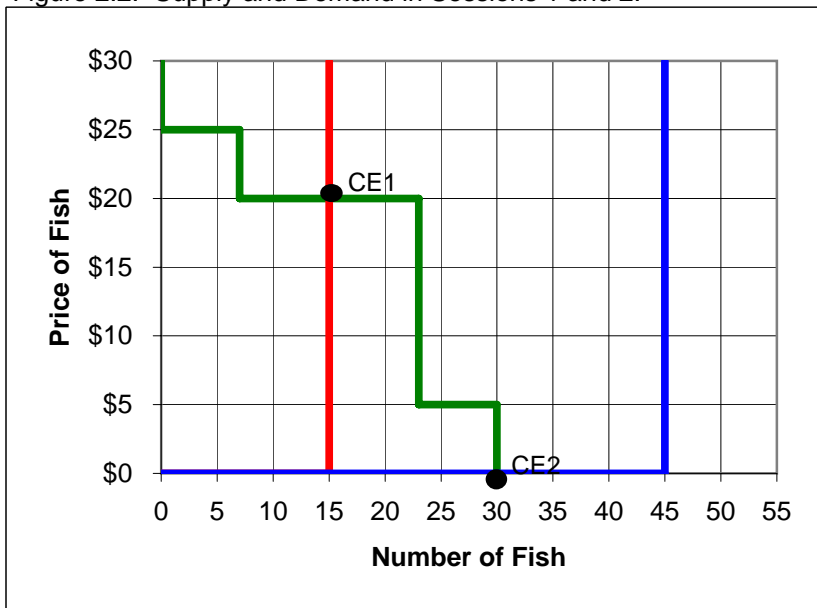
Problem 2.4
Table 2.7: Predictions and Outcomes in Session 1

	Experimental Outcome	Competitive Prediction
Mean Price	$15.00	$20.00
Number of Fish Sold	14	15
Total Fishermens' Profit	$60.00	$150.00
Total Demanders' Profit	$100.00	$35.00
Total Profits All Participants	$160.00	$185.00

Problem 2.5
Table 2.8: Predictions and Outcomes in Session 2

	Experimental Outcome	Competitive Prediction
Mean Price	$1.34	$0.00
Number of Fish Sold	29	30
Total Fishermens' Profit	-$111.14	-$150.00
Total Demanders' Profit	$471.14	$530.00
Total Profits All Participants	$360.00	$380.00

Problem 2.6
a) The number of fish caught increased from | 15 to | 45 .
b) The mean price of fish (rose?f_ell_?) from | $15.00 to | $1.34 .
c) Total profits of fishermen (rose?f_ell_?) from | $60.00 to | -$111.14 .
d) Total consumer surplus (_rose_?fell?) from | $100.00 to | $471.14 .

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 | $150.00 to | -$150.00 .
c) Total consumers' surplus (_rises_?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