

Problem 7.4

Table 7.15: Monopoly Predictions

Mean Price	\$15
Total Number of Units Sold	24
Total Profits of All Firms	\$240
Total Consumers' Surplus	\$54
Sum of Firms' Profits and Consumers' Surplus	\$294

Problem 7.5

Which of the two theories comes closer to predicting the results of Session 2? Monopoly Theory

Problem 7.6

Table 7.16: Experimental Outcomes: Session 3

Mean Price	\$9.42
Total Number of Units Sold	34
Total Profits of All Firms	\$150.25
Total Consumers' Surplus	\$203.75
Sum of Firms' Profits and Consumers Surplus	\$354.00

Problem 7.7

Which of the two theories comes closer to predicting the results of Session 3? Competitive Equilibrium Theory

Problem 7.8

Table 7.17: Experimental Outcomes: Session 4

Mean Price	\$12.79
Total Number of Units Sold	34
Total Profits of All Firms	\$265.00
Total Consumers' Surplus	\$89.00
Sum of Firms' Profits and Consumers' Surplus	\$354.00

Problem 7.9

Part a) In which session did firms make larger profits? Session 4

Part b) In which session was total consumers' surplus larger? Session 4

Part c) In which session was the sum of firms' profits and consumers' surplus larger? Session 4

Problem 7.10

Part a) The market efficiency of the experimental outcome in Session 2 = 83%

Part b) The market efficiency of the theoretically predicted outcome for a profit-maximizing monopoly in Session 2 = 83%