

Experiment 1

Section:

5

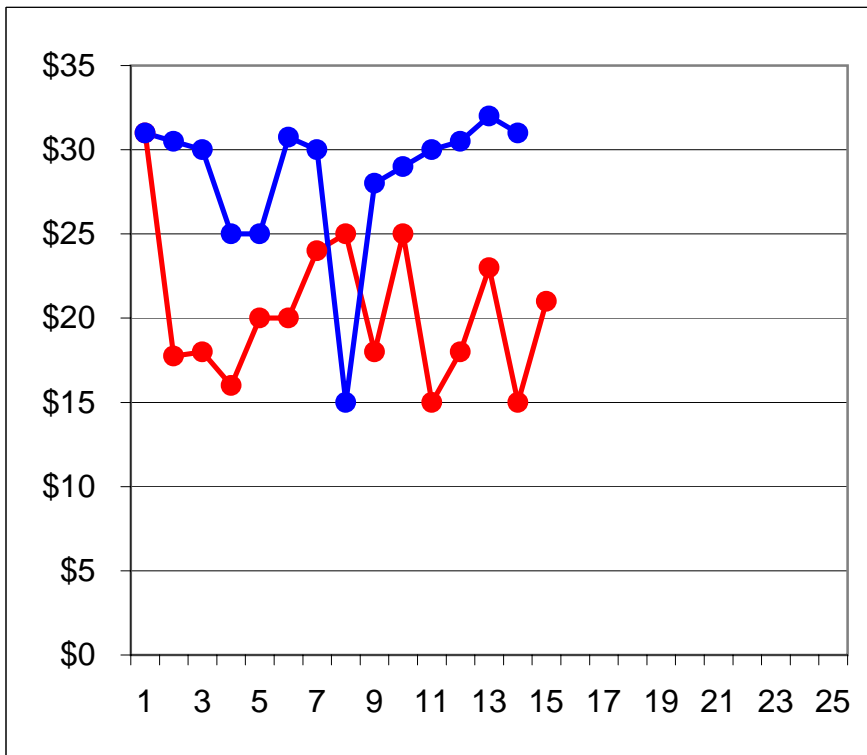
Problem 1.1

Table 1.8

	Session 1	Session 2
Mean Price	\$20.45	\$28.41
Number of Transactions	15	14
Total Profit of All Sellers	\$136.75	\$117.77
Total Profit of All Buyers	\$153.25	\$142.23
Total Profit of All Traders	\$290.00	\$260.00

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	14
$P > \$30$	21

Table 1.10: Demand Table: Session 1

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \40	8
$P < \$20$	23

Table 1.11: Supply Table: Session 2

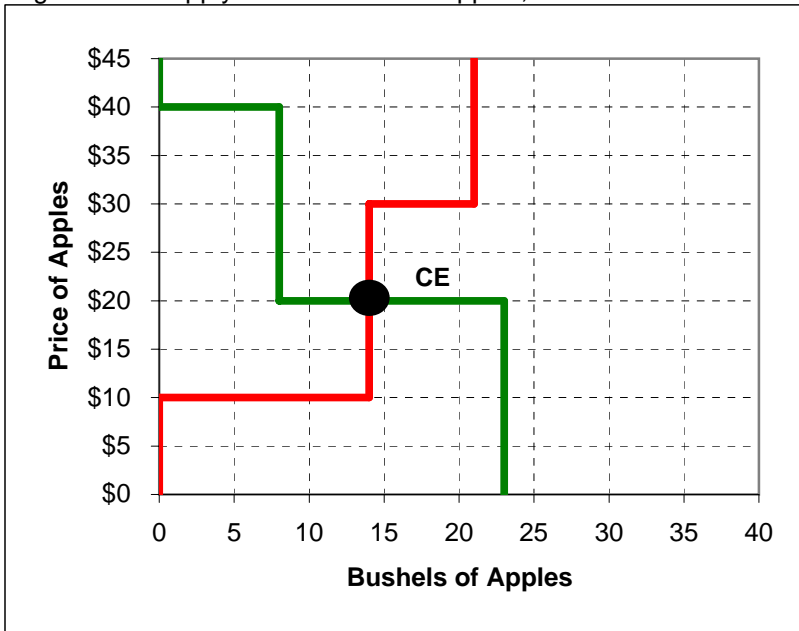
Price Range	Amount Supplied
$P < \$10$	0
$\$10 < P < \30	8
$P > \$30$	23

Table 1.12: Demand Table: Session 2

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \40	14
$P < \$20$	21

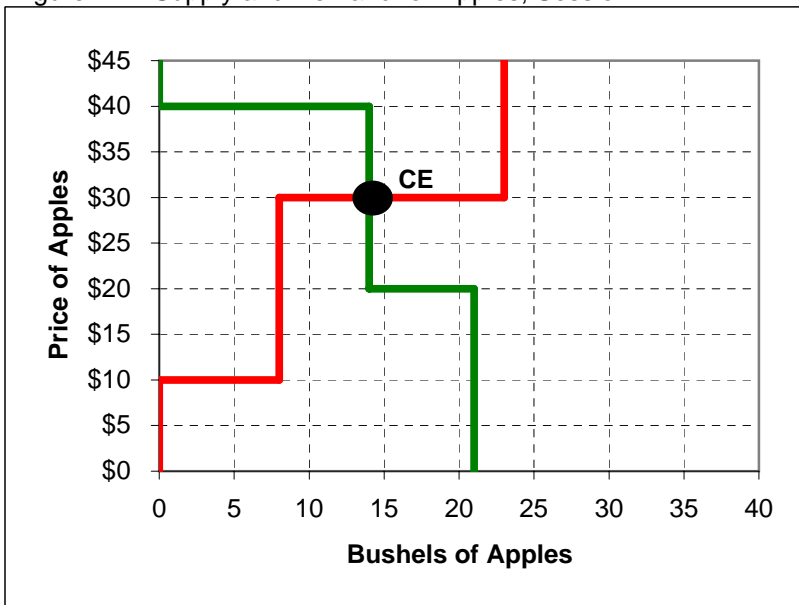
Problem 1.4

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	\$20.45	\$20
Number of Transactions	15	14
Total Profit of Sellers	\$136.75	\$140.00
Total Profit of Buyers	\$153.25	\$160.00
Total Profits of All Traders	\$290.00	\$300.00
Market Efficiency	97%	100.00%

Table 1.14 Predicted and Actual Outcomes-Session 2

	Exper. Outcome	Comp. Predict.
Mean Price	\$28.41	\$30
Number of Transactions	14	14
Total Profit of Sellers	\$117.77	\$160.00
Total Profit of Buyers	\$142.23	\$140.00
Total Profits of All	\$260.00	\$300.00
Market Efficiency	87%	100.00%

Problem 1.7

Table 1.15 Who Trades? - Session 1

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	14	14
# of High-Cost Sellers	1	0
# of High-Value Buyers	8	8
# of Low-Value Buyers	7	6

Table 1.16 Who Trades? - Session 2

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	7	8
# of High-Cost Sellers	7	6
# of High-Value Buyers	13	14
# of Low-Value Buyers	1	0

Problem 1.8

Part a.

Number of Transactions	21
Commissions	\$42

Part b.

Arrange as in competitive equilibrium. It maximizes total profit.

Transactions	14
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Part c.

Arrange as in competitive equilibrium.

If 10% of profits, you want to maximize total profits.