Experiment 7　　　　Section　　9

Problem 7.1
Table 7.13: Experimental Outcomes: Session 2
Mean Price	$15.00
Total Number of Units Sold	21
Total Profits of All Firms	$210.00
Total Consumers' Surplus	$46.00
Sum of Firms' Profits and Consumers' Surplus	$256.00

Problem 7.2
Part a)
At prices below $5, how many units will the firm supply?	0
At prices above $5, how many units will the firm supply?	100

Parts b and c)
Figure 7.6: Competitive Supply and Demand

Problem 7.3
Table 7.14: Competitive Predictions
Mean Price	$5
Total Number of Units Sold	31
Total Profits of All Firms	$0
Total Consumers' Surplus	$316
Sum of Firms' Profits and Consumers' Surplus	$316

Problem 7.4
Table 7.15: Monopoly Predictions
Mean Price $15
Total Number of Units Sold   21
Total Profits of All Firms $210
Total Consumers' Surplus $46
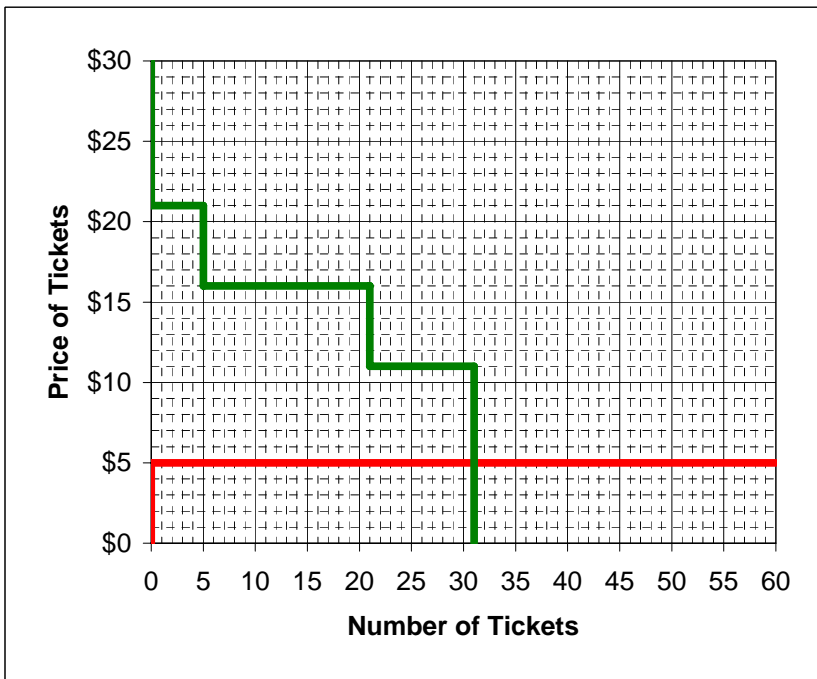Sum of Firms' Profits and
Consumers' Surplus $256

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 $9.39
Total Number of Units Sold   31
Total Profits of All Firms $136.00
Total Consumers' Surplus $180.00
Sum of Firms' Profits and
Consumers Surplus $316.00

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 $12.58
Total Number of Units Sold   31
Total Profits of All Firms $235.00
Total Consumers' Surplus $81.00
Sum of Firms' Profits and
Consumers' Surplus $316.00

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 =   81%

Part b) The market efficiency of the theoretically predicted outcome for
a profit-maximizing monopoly in Session 2 =   81%