Problem 1.1

Table 1.8

<table>
<thead>
<tr>
<th></th>
<th>Session 1</th>
<th>Session 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Price</td>
<td>$19.78</td>
<td>$28.42</td>
</tr>
<tr>
<td>Number of Transactions</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Total Profit of All Sellers</td>
<td>$146.75</td>
<td>$116.28</td>
</tr>
<tr>
<td>Total Profit of All Buyers</td>
<td>$163.25</td>
<td>$153.72</td>
</tr>
<tr>
<td>Total Profit of All Traders</td>
<td>$310.00</td>
<td>$270.00</td>
</tr>
</tbody>
</table>

Problem 1.2

Figure 1.5
### Problem 1.3

#### Table 1.9: Supply Table: Session 1

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Amount Supplied</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&lt;$10</td>
<td>0</td>
</tr>
<tr>
<td>$10&lt;P&lt;$30</td>
<td>16</td>
</tr>
<tr>
<td>P&gt;$30</td>
<td>24</td>
</tr>
</tbody>
</table>

#### Table 1.10: Demand Table: Session 1

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Amount Demanded</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&gt;$40</td>
<td>0</td>
</tr>
<tr>
<td>$20&lt;P&lt;$40</td>
<td>9</td>
</tr>
<tr>
<td>P&lt;$20</td>
<td>26</td>
</tr>
</tbody>
</table>

#### Table 1.11: Supply Table: Session 2

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Amount Supplied</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&lt;$10</td>
<td>0</td>
</tr>
<tr>
<td>$10&lt;P&lt;$30</td>
<td>9</td>
</tr>
<tr>
<td>P&gt;$30</td>
<td>26</td>
</tr>
</tbody>
</table>

#### Table 1.12: Demand Table: Session 2

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Amount Demanded</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&gt;$40</td>
<td>0</td>
</tr>
<tr>
<td>$20&lt;P&lt;$40</td>
<td>16</td>
</tr>
<tr>
<td>P&lt;$20</td>
<td>24</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Exper.</th>
<th>Comp.</th>
<th>Predict.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Price</td>
<td>$19.78</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>Number of Transactions</td>
<td>15</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Total Profit of Sellers</td>
<td>$146.75</td>
<td>$160.00</td>
<td></td>
</tr>
<tr>
<td>Total Profit of Buyers</td>
<td>$163.25</td>
<td>$180.00</td>
<td></td>
</tr>
<tr>
<td>Total Profits of All Traders</td>
<td>$310.00</td>
<td>$340.00</td>
<td></td>
</tr>
<tr>
<td>Market Efficiency</td>
<td>91%</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

Table 1.14 Predicted and Actual Outcomes-Session 2

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Exper.</th>
<th>Comp.</th>
<th>Predict.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Price</td>
<td>$28.42</td>
<td>$30</td>
<td></td>
</tr>
<tr>
<td>Number of Transactions</td>
<td>15</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Total Profit of Sellers</td>
<td>$116.28</td>
<td>$180.00</td>
<td></td>
</tr>
<tr>
<td>Total Profit of Buyers</td>
<td>$153.72</td>
<td>$160.00</td>
<td></td>
</tr>
<tr>
<td>Total Profits of All Traders</td>
<td>$270.00</td>
<td>$340.00</td>
<td></td>
</tr>
<tr>
<td>Market Efficiency</td>
<td>79%</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>
Problem 1.7

Table 1.15 Who Trades? - Session 1

<table>
<thead>
<tr>
<th></th>
<th>Exper Outcome</th>
<th>Comp. Predict.</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Low-Cost Sellers</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td># of High-Cost Sellers</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td># of High-Value Buyers</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td># of Low-Value Buyers</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 1.16 Who Trades? - Session 2

<table>
<thead>
<tr>
<th></th>
<th>Exper Outcome</th>
<th>Comp. Predict.</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Low-Cost Sellers</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td># of High-Cost Sellers</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td># of High-Value Buyers</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td># of Low-Value Buyers</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Problem 1.8

Part a.
Number of Transactions 24
Commissions $48

Part b.
Arrange as in competitive equilibrium. It maximizes total profit.
Transactions 16

Part c.
Arrange as in competitive equilibrium.
If 10% of profits, you want to maximize total profits.