Problem 6.1
Table 6.7: Experimental Results in Session 1
Mean Price $21.28
Number of Lawn Ornaments Sold 18
Total Profits of Sellers from Transactions $104.00
Total Profits of Buyers from Transactions $237.00
Total Cost of Pollution $348.30
Total Profits of All Residents, Net of Pollution Costs -$7.30

Problem 6.2
Table 6.8
Mean Price $34.27
Number of Lawn Ornaments Sold 11
Total After-Tax Profits of Sellers from Transactions $24.00
Total Profits of Buyers from Transactions $48.00
Total Tax Revenue $220.00
Total Cost of Pollution $212.85
Total Profits and Tax Revenue of All Residents, Net of Pollution Costs $79.15

Problem 6.3
Table 6.9: Experimental Results in Session 3
Mean Price of Ornaments $29.91
Mean Price of Permits $9.45
Number of Lawn Ornaments Sold 11
Profits of Lawn Ornament Sellers from Transactions $52.00
Profits of Lawn Ornament Buyers From Transactions $76.00
Total Revenue of Permit Sellers $104.00
Total Cost of Pollution $212.85
Total Profits of All Residents, Net of Pollution Costs. $19.15

Figure 6.5
Table 6.10: Predictions of the Theory: Session 1
Mean Price $25
Number of Lawn Ornaments Sold 18
Total Profits of Sellers from Transactions $171.00
Total Profits of Buyers from Transactions $180.00
Total Cost of Pollution $348.30
Total Profits $2.70

Problem 6.6
Part a) Shifts the supply curve up by $20.
Part b) No effect on demand curve.

Problem 6.7
Table 6.11: Predictions of the Theory-Session 2
Mean Price $35.00
Number of Ornaments Sold 10
Total Profits of Buyers $40.00
Total Profits of Sellers $35.00
Total Tax Revenue $200.00
Total Cost of Pollution $193.50
Total Profits and Tax Revenue of All Residents, Net of Pollution Costs $81.50

The total income of all residents is higher when the pollution tax is imposed.

Problem 6.8
Competitive equilibrium prediction for price of ornaments is $35.00
Competitive equilibrium prediction for quantity of ornaments is 11

Problem 6.9
Table 6.12: Willingness to Pay for Pollution Permits
Problem 6.10
Table 6.6: Supply and Demand for Permits.

These curves intersect where the price of permits is $17.