Problem 6.1
Table 6.7: Experimental Results in Session 1
Mean Price $22.22
Number of Lawn Ornaments Sold 18
Total Profits of Sellers from Transactions $111.00
Total Profits of Buyers from Transactions $190.00
Total Cost of Pollution $362.88
Total Profits of All Residents, Net of Pollution Costs -$61.88

Problem 6.2
Table 6.8
Mean Price $30.79
Number of Lawn Ornaments Sold 12
Total After-Tax Profits of Sellers from Transactions -$56.50
Total Profits of Buyers from Transactions $65.50
Total Tax Revenue $240.00
Total Cost of Pollution $241.92
Total Profits and Tax Revenue of All Residents, Net of Pollution Costs $7.08

Problem 6.3
Table 6.9: Experimental Results in Session 3
Mean Price of Ornaments $27.33
Mean Price of Permits $6.44
Number of Lawn Ornaments Sold 9
Profits of Lawn Ornament Sellers from Transactions $41.00
Profits of Lawn Ornament Buyers From Transactions $54.00
Total Revenue of Permit Sellers $58.00
Total Cost of Pollution $181.44
Total Profits of All Residents, Net of Pollution Costs -$28.44

Figure 6.5
Table 6.10: Predictions of the Theory: Session 1
Mean Price $24 *
Number of Lawn Ornaments Sold 18
Total Profits of Sellers from Transactions $153.00
Total Profits of Buyers from Transactions $168.00
Total Cost of Pollution $362.88
Total Profits -$41.88
*The equilibrium price is a range between $23 and $25.
I've used $24 in the calculations.

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 $34.00 *
Number of Ornaments Sold 10
Total Profits of Buyers $40.00
Total Profits of Sellers $25.00
Total Tax Revenue $200.00
Total Cost of Pollution $201.60
Total Profits and Tax Revenue of All Residents, Net of Pollution Costs $63.40
*Any price between $33 and $35 is an equilibrium.
I've used $34 in the calculations.

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 $32.50 *
Competitive equilibrium prediction for quantity of ornaments is 10
*Any price between $30 and $35 is an equilibrium.
I've used $32.50 in the calculations.

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 between $14.5 and $19.5.