Problem 7.1
Table 7.13: Experimental Outcomes: Session 2
Mean Price $15.00
Total Number of Units Sold 22
Total Profits of All Firms $220.00
Total Consumers' Surplus $47.00
Sum of Firms' Profits and Consumers' Surplus $267.00

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 33
Total Profits of All Firms $0
Total Consumers' Surplus $343
Sum of Firms' Profits and Consumers' Surplus $343
Problem 7.4
Table 7.15: Monopoly Predictions
Mean Price $15
Total Number of Units Sold 23
Total Profits of All Firms $230
Total Consumers' Surplus $53
Sum of Firms' Profits and Consumers' Surplus $283

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 $10.48
Total Number of Units Sold 33
Total Profits of All Firms $181.00
Total Consumers' Surplus $167.00
Sum of Firms' Profits and Consumers Surplus $348.00

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 $12.93
Total Number of Units Sold 29
Total Profits of All Firms $230.00
Total Consumers' Surplus $89.00
Sum of Firms' Profits and Consumers' Surplus $319.00

Problem 7.9
Part a) In which session did firms make larger profits?
Answer: Session 4

Part b) In which session was total consumers' surplus larger?
Answer: Session 4

Part c) In which session was the sum of firms' profits and consumers' surplus larger?
Answer: Session 4

Problem 7.10
Part a) The market efficiency of the experimental outcome in Session 2 = 78%

Part b) The market efficiency of the theoretically predicted outcome for a profit-maximizing monopoly in Session 2 = 83%