Problem 8.1
Part a.
Number of restaurants opened:
Session 1, Round 1 13
Session 1, Round 2 11

Part b), c), and d).
Figure 8.4: Short-Run Supply and Demand-Session 1

Table 8.7: Competitive Equilibrium Predictions, Session 1

<table>
<thead>
<tr>
<th></th>
<th>Mean Price</th>
<th>Number of Meals</th>
<th>Restaurants' Total Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Run Competitive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equilibrium in First Round</td>
<td>$5</td>
<td>41</td>
<td>-$260.00</td>
</tr>
<tr>
<td>Short-Run Competitive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equilibrium in the Last Round</td>
<td>$5</td>
<td>41</td>
<td>-$220.00</td>
</tr>
<tr>
<td>Long-Run Competitive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equilibrium</td>
<td>$12</td>
<td>28</td>
<td>$56.00</td>
</tr>
</tbody>
</table>

Table 8.8: Experimental Outcomes, Session 1

<table>
<thead>
<tr>
<th></th>
<th>Mean Price</th>
<th>Number of Meals</th>
<th>Restaurants' Total Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 1, First Round</td>
<td>$9.81</td>
<td>40</td>
<td>-$67.50</td>
</tr>
<tr>
<td>Session 2, Last Round</td>
<td>$8.53</td>
<td>40</td>
<td>-$78.75</td>
</tr>
</tbody>
</table>

Problem 8.4
Part a)
Number of Restaurants:
Session 2, Round 1 8
Session 2, Round 2 6

Part b)
With a $3 sales tax, restaurants have a variable cost of $8 per meal.
Each restaurant that is open will want to supply 0 meals if the price is below $8, and 4 meals if the price is greater than $8.

Part c), d), and e).

Figure 8.5: Short-Run Supply and Demand-Session 2

<table>
<thead>
<tr>
<th>Problem 8.5</th>
<th>Table 8.9 Competitive Equilibrium Predictions, Session 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Run Competitive Equilibrium in First Round</td>
<td>$8</td>
</tr>
<tr>
<td>Short-Run Competitive Equilibrium in Last Round</td>
<td>$12</td>
</tr>
<tr>
<td>Long-Run Competitive Equilibrium</td>
<td>13 to 18</td>
</tr>
</tbody>
</table>

Problem 8.5, Part b) Depends on which price in range

Problem 8.6, Part a)

<table>
<thead>
<tr>
<th>Problem 8.6, Part b</th>
<th>Table 8.10: Experimental Outcomes, Session 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 2, Round 1</td>
<td>$12.71</td>
</tr>
<tr>
<td>Session 2, Round 2</td>
<td>$12.69</td>
</tr>
</tbody>
</table>

Problem 8.6, Part b) Yes