Problem 7.1

Table 7.13: Experimental Outcomes: Session 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Price</td>
<td>$13.91</td>
</tr>
<tr>
<td>Total Number of Units Sold</td>
<td>23</td>
</tr>
<tr>
<td>Total Profits of All Firms</td>
<td>$205.00</td>
</tr>
<tr>
<td>Total Consumers' Surplus</td>
<td>$73.00</td>
</tr>
<tr>
<td>Sum of Firms' Profits and Consumers' Surplus</td>
<td>$278.00</td>
</tr>
</tbody>
</table>

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)

Problem 7.3

Table 7.14: Competitive Predictions

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Price</td>
<td>$5</td>
</tr>
<tr>
<td>Total Number of Units Sold</td>
<td>33</td>
</tr>
<tr>
<td>Total Profits of All Firms</td>
<td>$0</td>
</tr>
<tr>
<td>Total Consumers' Surplus</td>
<td>$343</td>
</tr>
<tr>
<td>Sum of Firms' Profits and Consumers' Surplus</td>
<td>$343</td>
</tr>
</tbody>
</table>
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 $7.79
Total Number of Units Sold 33
Total Profits of All Firms $92.00
Total Consumers’ Surplus $246.00
Sum of Firms’ Profits and Consumers Surplus $338.00

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 $12.83
Total Number of Units Sold 30
Total Profits of All Firms $235.00
Total Consumers’ Surplus $80.00
Sum of Firms’ Profits and Consumers’ Surplus $315.00

Problem 7.9
Part a) In which session did firms make larger profits? Session 4
Part b) In which session was total consumers’ surplus larger? Session 4
Part c) In which session was the sum of firms’ profits and consumers’ surplus larger? Session 4

Problem 7.10
Part a) The market efficiency of the experimental outcome in Session 2 = 81%
Part b) The market efficiency of the theoretically predicted outcome for a profit-maximizing monopoly in Session 2 = 83%