Problem 7.1
Table 7.13: Experimental Outcomes: Session 2
Mean Price $15.00
Total Number of Units Sold 18
Total Profits of All Firms $180.00
Total Consumers’ Surplus $43.00
Sum of Firms’ Profits and Consumers’ Surplus $223.00

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 32
Total Profits of All Firms $0
Total Consumers’ Surplus $327
Sum of Firms’ Profits and Consumers’ Surplus $327
Problem 7.4
Table 7.15: Monopoly Predictions

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Mean Price</td>
<td>$15</td>
</tr>
<tr>
<td>Total Number of Units Sold</td>
<td>22</td>
</tr>
<tr>
<td>Total Profits of All Firms</td>
<td>$220</td>
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<tr>
<td>Total Consumers' Surplus</td>
<td>$47</td>
</tr>
<tr>
<td>Sum of Firms' Profits and Consumers' Surplus</td>
<td>$267</td>
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</tbody>
</table>

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

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<tbody>
<tr>
<td>Mean Price</td>
<td>$10.01</td>
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<tr>
<td>Total Number of Units Sold</td>
<td>32</td>
</tr>
<tr>
<td>Total Profits of All Firms</td>
<td>$160.25</td>
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<tr>
<td>Total Consumers' Surplus</td>
<td>$166.75</td>
</tr>
<tr>
<td>Sum of Firms' Profits and Consumers Surplus</td>
<td>$327.00</td>
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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

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<tr>
<td>Mean Price</td>
<td>$12.74</td>
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<tr>
<td>Total Number of Units Sold</td>
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<tr>
<td>Total Profits of All Firms</td>
<td>$240.00</td>
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<tr>
<td>Total Consumers' Surplus</td>
<td>$86.00</td>
</tr>
<tr>
<td>Sum of Firms' Profits and Consumers' Surplus</td>
<td>$326.00</td>
</tr>
</tbody>
</table>

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 = 68%

Part b) The market efficiency of the theoretically predicted outcome for a profit-maximizing monopoly in Session 2 = 82%