Problem 7.1
Table 7.13: Experimental Outcomes: Session 2

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Mean Price</td>
<td>$15.00</td>
</tr>
<tr>
<td>Total Number of Units</td>
<td>18</td>
</tr>
<tr>
<td>Total Profits of All</td>
<td>$180.00</td>
</tr>
<tr>
<td>Firms' Surplus</td>
<td>$43.00</td>
</tr>
<tr>
<td>Sum of Firms' Profits</td>
<td></td>
</tr>
<tr>
<td>and Consumers' Surplus</td>
<td>$223.00</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)
Figure 7.6: Competitive Supply and Demand

Problem 7.3
Table 7.14: Competitive Predictions

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Mean Price</td>
<td>$5</td>
</tr>
<tr>
<td>Total Number of Units</td>
<td>27</td>
</tr>
<tr>
<td>Total Profits of All</td>
<td>0</td>
</tr>
<tr>
<td>Firms' Surplus</td>
<td>$282</td>
</tr>
<tr>
<td>Total Consumers' Surplus</td>
<td></td>
</tr>
<tr>
<td>Sum of Firms' Profits</td>
<td></td>
</tr>
<tr>
<td>and Consumers' Surplus</td>
<td>$282</td>
</tr>
</tbody>
</table>
Problem 7.4
Table 7.15: Monopoly Predictions
Mean Price $15
Total Number of Units Sold 19
Total Profits of All Firms $190
Total Consumers’ Surplus $44
Sum of Firms’ Profits and Consumers’ Surplus $234

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 $10.07
Total Number of Units Sold 27
Total Profits of All Firms $137.00
Total Consumers’ Surplus $145.00
Sum of Firms’ Profits and Consumers Surplus $282.00

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 $12.50
Total Number of Units Sold 24
Total Profits of All Firms $180.00
Total Consumers’ Surplus $69.00
Sum of Firms’ Profits and Consumers’ Surplus $249.00

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 = 79%
Part b) The market efficiency of the theoretically predicted outcome for a profit-maximizing monopoly in Session 2 = 83%