

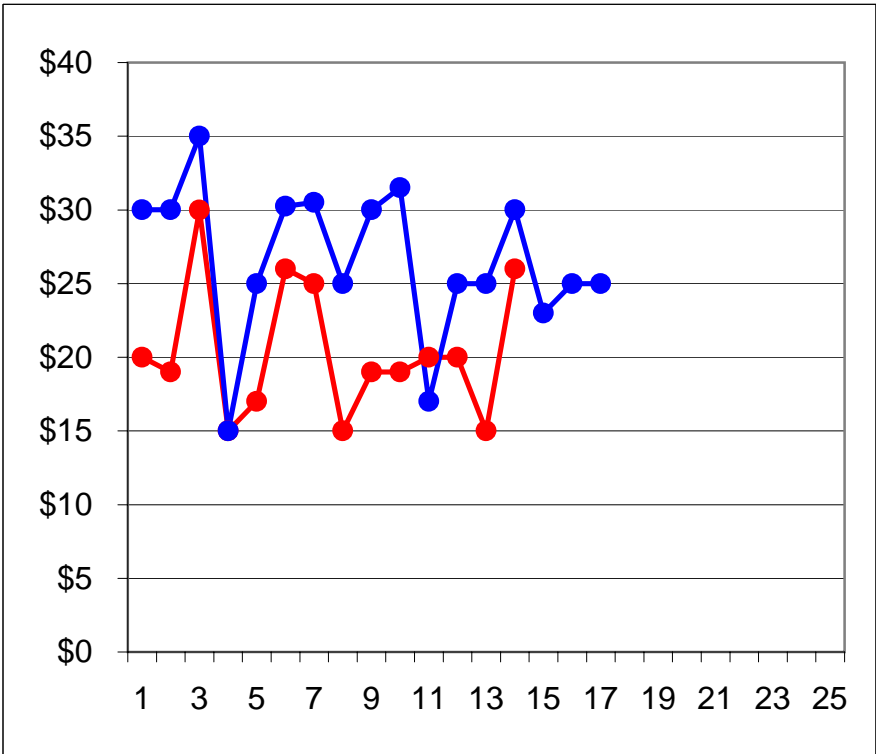
Problem 1.1

Table 1.8

	Session 1	Session 2
Mean Price	\$20.43	\$26.61
Number of Transactions	14	17
Total Profit of All Sellers	\$146.00	\$102.30
Total Profit of All Buyers	\$134.00	\$207.70
Total Profit of All Traders	\$280.00	\$310.00

Problem 1.2

Figure 1.5



Problem 1.3

Table 1.9: Supply Table: Session 1

Price Range	Amount Supplied
$P < \$10$	0
$\$10 < P < \30	15
$P > \$30$	23

Table 1.10: Demand Table: Session 1

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \40	8
$P < \$20$	24

Table 1.11: Supply Table: Session 2

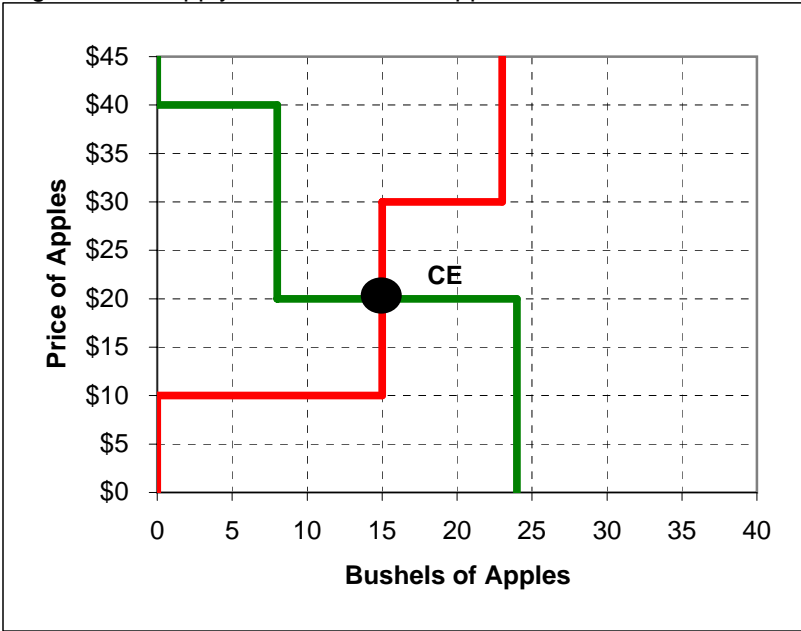
Price Range	Amount Supplied
$P < \$10$	0
$\$10 < P < \30	8
$P > \$30$	23

Table 1.12: Demand Table: Session 2

Price Range	Amount Demanded
$P > \$40$	0
$\$20 < P < \40	16
$P < \$20$	24

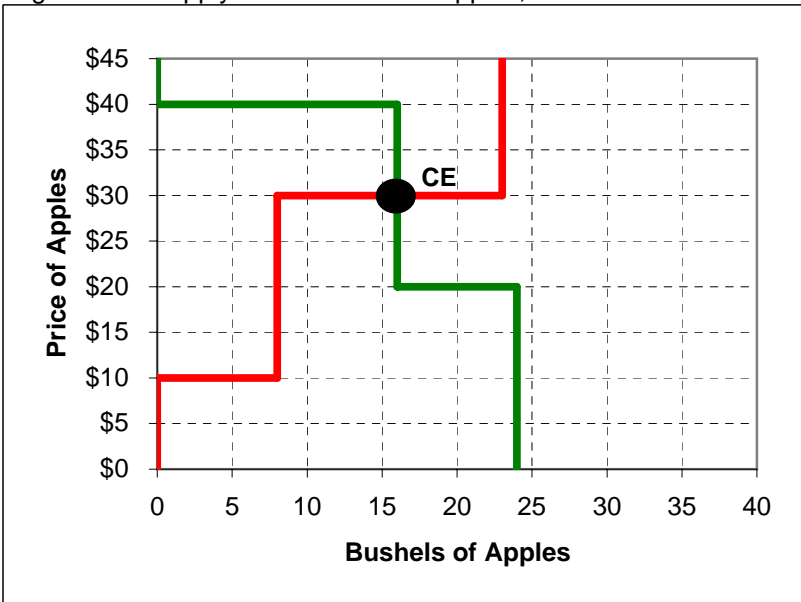
Problem 1.4

Figure 1.6: Supply and Demand for Apples, Session 1



Problem 1.5

Figure 1.7: Supply and Demand for Apples, Session 2.



Problem 1.6

Table 1.13 Predicted and Actual Outcomes-Session 1

	Exper. Outcome	Comp. Predict.
Mean Price	\$20.43	\$20
Number of Transactions	14	15
Total Profit of Sellers	\$146.00	\$150.00
Total Profit of Buyers	\$134.00	\$160.00
Total Profits of All Traders	\$280.00	\$310.00
Market Efficiency	90%	100.00%

Table 1.14 Predicted and Actual Outcomes-Session 2

	Exper. Outcome	Comp. Predict.
Mean Price	\$26.61	\$30
Number of Transactions	17	16
Total Profit of Sellers	\$102.30	\$160.00
Total Profit of Buyers	\$207.70	\$160.00
Total Profits of All	\$310.00	\$320.00
Market Efficiency	97%	100.00%

Problem 1.7

Table 1.15 Who Trades? - Session 1

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	14	15
# of High-Cost Sellers	0	0
# of High-Value Buyers	7	8
# of Low-Value Buyers	7	7

Table 1.16 Who Trades? - Session 2

	Exper Outcome	Comp. Predict.
# of Low-Cost Sellers	8	8
# of High-Cost Sellers	9	8
# of High-Value Buyers	16	16
# of Low-Value Buyers	1	0

Problem 1.8

Part a.

Number of Transactions	23
Commissions	\$46

Part b.

Arrange as in competitive equilibrium. It maximizes total profit.

Transactions	15
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Part c.

Arrange as in competitive equilibrium.

If 10% of profits, you want to maximize total profits.