

Experiment 5            Section    3

Problem 5.1

(Average wage is    \$9.50    )

Table 5.11: Experimentally Observed Unemployment

	Involuntarily Unemployed	Voluntarily Unemployed
Session 1	0	15
Session 2	23	0
Session 3	0	0

Problem 5.2

Table 5.12: Experimentally Observed Incomes

	Session 1	Session 2	Session 3
Total Wage Earnings	\$180.52	\$167.00	\$541.01
Total Income of Unemployed	\$180.00	\$199.00	\$0.00
Total Income of All Workers	\$360.52	\$366.00	\$541.01
Total Profits of Firms	\$119.48	\$53.00	\$303.99
Sum of Total Income of Workers and Profits of Firms	\$480.00	\$419.00	\$845.00

Problem 5.3

- Part a)    rose by            \$5.68
- Part b)    rose by            \$5.48
- Part c)    fell by             \$66.48
- Part d)    yes
- Part e)    yes
- Part f)    no
- Part g)    yes

Problem 5.4

Table 5.13 Labor Supply Table

Wage Range	Labor Supplied
Wage < \$5	0
\$5 < Wage < \$12	17
Wage > \$12	34

Problem 5.5

- Part a)    0 laborers
- Part b)    1 laborer
- Part c)    2 laborers

Problem 5.6

Table 5.14: Market Labor Demand Table--Session 1

Wage Range	Amount Demanded
Wage > \$20	0
\$10 < Wage < \$20	11
Wage < \$10	22

Problem 5.7

- Part a) 0 laborers
- Part b) 1 laborer
- Part c) 2 laborers
- Part d) 4 laborers

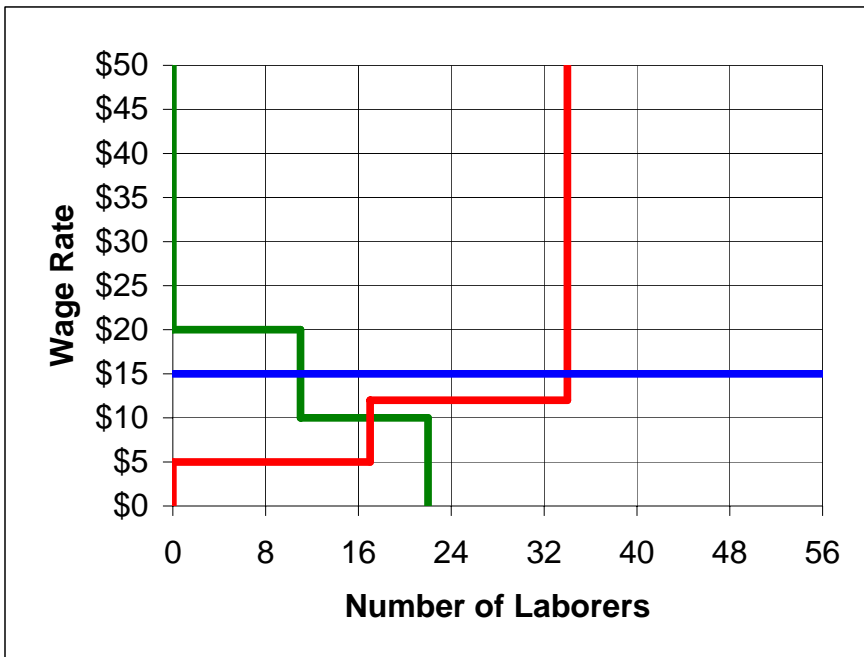
Problem 5.8

Table 5.15: Market Labor Demand Table-Session 3

Wage Rate	Amount Demanded
Wage > \$30	0
\$25 < Wage < \$30	11
\$20 < Wage < \$25	22
Wage < \$20	44

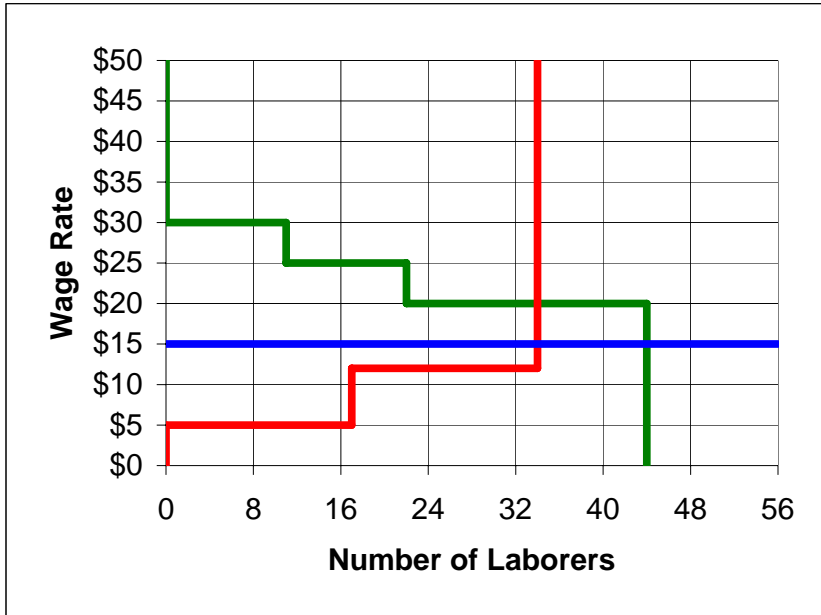
Problem 5.9

Figure 5.7: Supply and Demand-Sessions 1 and 2



Problem 5.10

Figure 5.8: Supply and Demand-Session 3



Problem 5.11

Table 5.16: Predicted Wages and Profits

	Session 1	Session 2	Session 3
Average Wage Rate	\$10	\$15	\$20
Total Employment	17	11	34
Total Profit of Firms	\$110	\$55	\$165
Total Wages of Employed Workers	\$170	\$165	\$680

Problem 5.12

Table 5.17: Predicted Unemployment

	Involuntarily Unemployed	Voluntarily Unemployed
Session 1	0	17
Session 2	23	0
Session 3	0	0