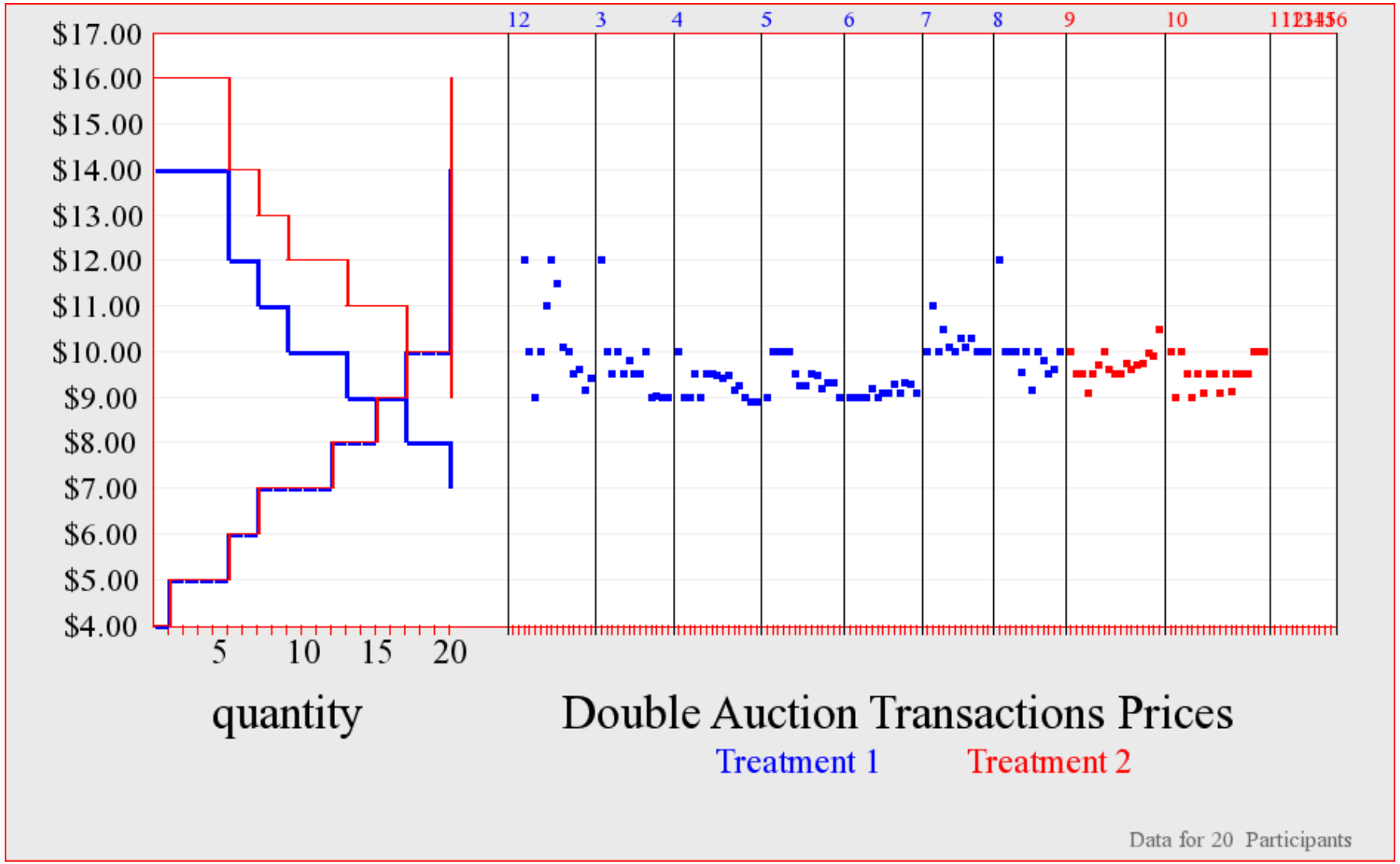
10:00 Experiment

Values and Costs (Treatment 1, Round 2)

Round	Unit	B1	B2	B3	B4	B5	B6	B7	B8	B9	B10
2	1	$14.00	$8.00	$14.00	$14.00	$9.00	$12.00	$10.00	$14.00	$12.00	$10.00
2	2	$14.00	$8.00	$9.00	$11.00	$8.00	$11.00	$9.00	$10.00	$10.00	$9.00

Round	Unit	S11	S12	S13	S14	S15	S16	S17	S18	S19	S20
2	1	$5.00	$6.00	$9.00	$7.00	$7.00	$5.00	$6.00	$5.00	$4.00	$5.00
2	2	$8.00	$7.00	$10.00	$8.00	$10.00	$7.00	$7.00	$8.00	$9.00	$10.00

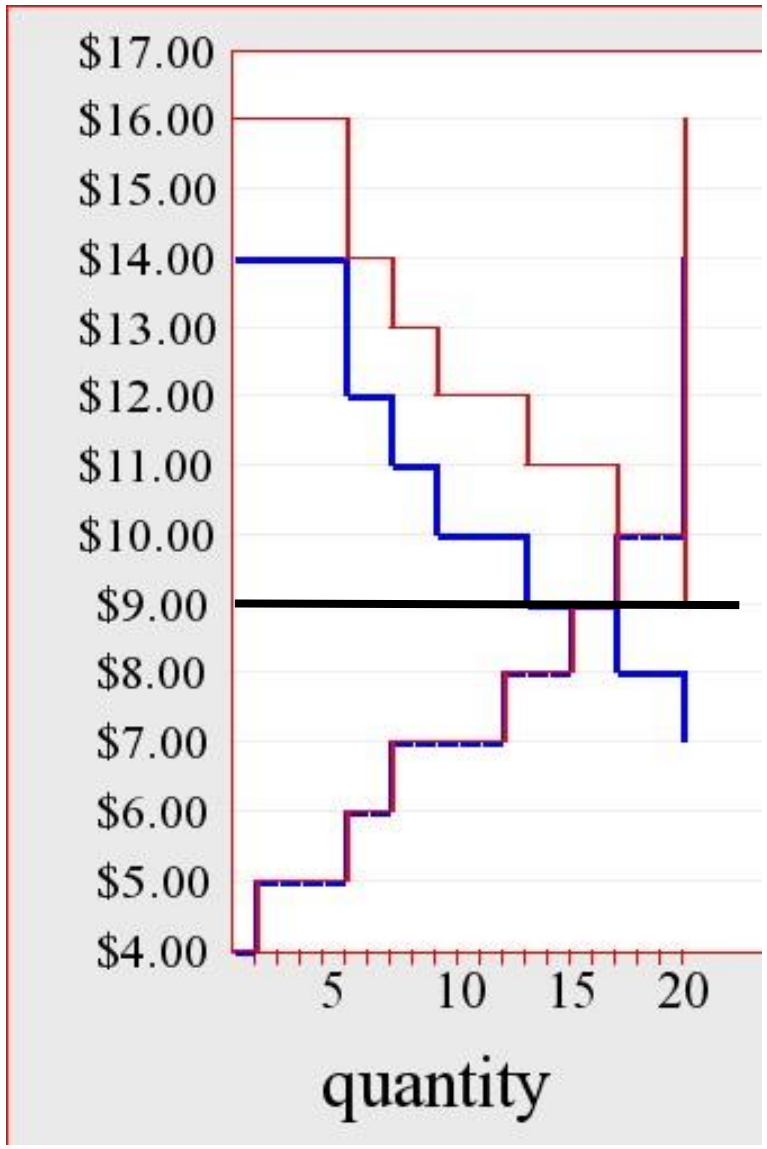
Competitive Equilibrium



Price and Quantity

Round	Expected P*	Average Actual P	Expected Q*	Actual Q
2	$9.00	$10.25	15 – 17	13
3	$9.00	$9.68	15 – 17	13
4	$9.00	$9.27	15 – 17	15
5	$9.00	$9.49	15 – 17	14
6	$9.00	$9.11	15 – 17	13
7	$10.00	$10.19	12 – 13	12
8	$10.00	$9.96	12 – 13	12
9	$10.00	$9.71	17 – 20	17
10	$10.00	$9.52	17 - 20	18

Expected Gains from Exchange



Treatment 1 No Tax

Consumer Surplus =
5 * (14 – 9) = 25
2 * (12 – 9) = 6
2 * (11 – 9) = 4
4 * (10 – 9) = 4
Total = $39

Producer Surplus =
1 * (9 – 4) = 5
4 * (9 – 5) = 16
2 * (9 – 6) = 6
5 * (9 – 7) = 10
3 * (9 – 8) = 3
Total = $40

Treatment 1 With Tax

Consumer Surplus =
5 * (14 – 10) = 20
2 * (12 – 10) = 4
2 * (11 – 10) = 2
4 * (10 – 10) = 0
Total = $26

Producer Surplus =
1 * (10 – 6) = 4
4 * (10 – 7) = 12
2 * (10 – 8) = 4
5 * (10 – 9) = 5
3 * (10 – 10) = 0
Total = $25

Treatment 2

Consumer Surplus =
5 * (16 – 10) = 30
2 * (14 – 10) = 8
2 * (13 – 10) = 6
4 * (12 – 10) = 8
4 * (11 – 10) = 4
Total = $56

Producer Surplus =
1 * (10 – 4) = 6
4 * (10 – 5) = 20
2 * (10 – 6) = 8
5 * (10 – 7) = 15
3 * (10 – 8) = 6
2 * (10 – 9) = 2
Total = $57

Expected vs. Realized Gains

Round	Exp. CS	Real. CS	Exp. PS	Real. PS	Exp. Gains	Real. Gains	Efficiency
2	39	22.75	40	46.25	79	69	87.3%
3	39	28.20	40	40.80	79	69	87.3%
4	39	34.95	40	41.05	79	76	96.2%
5	39	32.21	40	43.79	79	76	96.2%
6	39	37.52	40	34.48	79	72	91.1%
7	26	23.73	25	25.27	79/51	49	62.0%/96.1%
8	26	25.43	25	23.57	79/51	49	62.0%/96.1%
9	56	58.94	57	51.06	113	110	97.3%
10	56	63.71	57	45.29	113	109	96.5%