

Worksheet 1

Key questions for game evaluation

Observations

1) Were you always able to trade? Explain your answer.

2) What determines the trade price at the beginning of the game? Which factors influence the price in subsequent rounds of the game?

Explanations

3) Were you happy with your respective trade prices? Explain your answer.

4) In Pitgame, what is the reason for the price progression from the first to the last round?

5) Identify the equilibrium price using the supply/demand curves.

a) Where can the equilibrium price be found?

b) Why is this price referred to as the equilibrium price?

6) Imagine a scenario in which the price of a traded good is below the equilibrium price.

a) How would this affect the market?

b) What happens if the price of a traded good is above the equilibrium price?

7) When a buyer and seller engage in a trade, a trading profit is achieved. How is this calculated?

8) From the point of view of all the market participants, did the 'right people' do the trading, or would it have been possible for the class as a whole to achieve a higher profit?