

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **1**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **180**. Notice that if you choose to enter the market, you will incur your fixed cost of **180** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

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At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **2**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **150**. Notice that if you choose to enter the market, you will incur your fixed cost of **150** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
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Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

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SAMPLE RECORD SHEET

You are firm number **3**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **210**. Notice that if you choose to enter the market, you will incur your fixed cost of **210** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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1				
2				
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SAMPLE RECORD SHEET

You are firm number **4**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **180**. Notice that if you choose to enter the market, you will incur your fixed cost of **180** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

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1				
2				
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SAMPLE RECORD SHEET

You are firm number **5**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **150**. Notice that if you choose to enter the market, you will incur your fixed cost of **150** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

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1				
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SAMPLE RECORD SHEET

You are firm number **6**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **90**. Notice that if you choose to enter the market, you will incur your fixed cost of **90** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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1				
2				
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SAMPLE RECORD SHEET

You are firm number **7**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **60**. Notice that if you choose to enter the market, you will incur your fixed cost of **60** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
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SAMPLE RECORD SHEET

You are firm number **8**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **120**. Notice that if you choose to enter the market, you will incur your fixed cost of **120** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

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SAMPLE RECORD SHEET

You are firm number **9**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **90**. Notice that if you choose to enter the market, you will incur your fixed cost of **90** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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1				
2				
3				
4				
5				

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SAMPLE RECORD SHEET

You are firm number **10**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **60**. Notice that if you choose to enter the market, you will incur your fixed cost of **60** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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SAMPLE RECORD SHEET

You are firm number **11**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **60**. Notice that if you choose to enter the market, you will incur your fixed cost of **60** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

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At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **12**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **90**. Notice that if you choose to enter the market, you will incur your fixed cost of **90** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

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- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **13**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **120**. Notice that if you choose to enter the market, you will incur your fixed cost of **120** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **14**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **60**. Notice that if you choose to enter the market, you will incur your fixed cost of **60** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **15**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **90**. Notice that if you choose to enter the market, you will incur your fixed cost of **90** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **16**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **150**. Notice that if you choose to enter the market, you will incur your fixed cost of **150** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **17**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **180**. Notice that if you choose to enter the market, you will incur your fixed cost of **180** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **18**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **210**. Notice that if you choose to enter the market, you will incur your fixed cost of **210** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **19**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **150**. Notice that if you choose to enter the market, you will incur your fixed cost of **150** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **20**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **180**. Notice that if you choose to enter the market, you will incur your fixed cost of **180** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **21**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **150**. Notice that if you choose to enter the market, you will incur your fixed cost of **150** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **22**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **180**. Notice that if you choose to enter the market, you will incur your fixed cost of **180** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **23**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **120**. Notice that if you choose to enter the market, you will incur your fixed cost of **120** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **24**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **90**. Notice that if you choose to enter the market, you will incur your fixed cost of **90** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **25**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **93**. Notice that if you choose to enter the market, you will incur your fixed cost of **93** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

- A fixed cost, which you must pay immediately if you enter, even if you then decide not to sell any output. You must pay a fixed cost for each round in which you remain in the market.
- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **26**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **150**. Notice that if you choose to enter the market, you will incur your fixed cost of **150** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

This game consists of up to 5 rounds. In each round, 20 firms can enter a market and sell output. Your record sheet shows the total cost your firm will incur in each round if you decide to enter the market. Notice that this comprises both:

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- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **27**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **60**. Notice that if you choose to enter the market, you will incur your fixed cost of **60** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

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- Variable costs, which increase with the amount of output that you sell.

If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

At the beginning of the first round, the lecturer will invite firms to enter the market. You must decide whether to enter without knowing what the market price for the round will be. The market price will depend on the number of firms that choose to enter the market.

Market research suggests that the price is likely to be between 40 and 70.

Once all firms have decided whether to enter, the lecturer will announce the market price for the round.

- If you choose to enter the market, you must now decide how much output to sell. This can be any whole number up to 10 units. Your profit for the round is your output multiplied by the price the lecturer announces, less the total cost shown on your record sheet. You may choose an output of zero, but, if you do so, you will still incur your fixed cost.
- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **28**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **210**. Notice that if you choose to enter the market, you will incur your fixed cost of **210** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

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If you decide not to enter the market, your firm does not incur any cost in that round. However, you will also not be able to sell any output in that round.

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- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

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SAMPLE RECORD SHEET

You are firm number **29**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **180**. Notice that if you choose to enter the market, you will incur your fixed cost of **180** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				

CLASSROOM GAME: ENTRY AND EXIT

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- If you choose not to enter the market, you are not allowed to sell any output, and your profit for the round is zero.

At the end of the round, the observers will ask if any firms wish to exit the market. If you exit, you will not incur any fixed costs in the next round. Otherwise, you stay in the market and incur a new fixed cost for the next round. The lecturer will then ask if any new firms wish to enter the next round.

SAMPLE RECORD SHEET

You are firm number **30**

Your firm's total cost function is:

$$TC_i = c_i + 5q_i^2$$

where q_i is a number between 0 and 10, and c_i is the firm-specific fixed cost.

Your fixed cost is **120**. Notice that if you choose to enter the market, you will incur your fixed cost of **120** even if you decide not to see any output. You will also incur this cost again for each round in which you choose to remain in the market.

If you choose not to enter the market you will not incur any costs, but you will not be able to sell any output until the next opportunity for entry is announced.

You should not share your cost information with any other firm

Round	Number of active firms	Market Price	Your output	Your profits
1				
2				
3				
4				
5				