

## Induced Demand & Supply - Instructions

You will be asked to trade in a marketplace called **MarketForWidgets**.

When you log in, you will see that you have been given a certain amount (maybe zero) of securities called Widgets and some (maybe zero) cash.

You will then be given the opportunity to trade.

You trade by sending offers to other traders. All your offers are displayed in a common book (and visible as red and blue entries in the book). Trade takes place if an incoming buy order is for a price above that of the best standing sell order, or v.v. Trade takes place at the price of the standing order.

Here is how your performance will be measured.

If you are given a positive initial allocation of Widgets, then you are a “Seller,” and for each of those Widgets you can SELL, your points equal the sales price, minus a charge.

If you are not given an initial allocation of Widgets (you start with zero Widgets), then you are a “Buyer,” and you will be given rewards for the **first five Widgets** you manage to BUY, minus the purchase price.

In addition, you are allowed to “speculate” which is to buy and subsequently sell; you keep the earnings if the purchase price is below the sales price, otherwise the loss will be subtracted from your earnings. Conversely, you may be able to sell high and buy back at a lower price. The corresponding gains are added to your earnings.