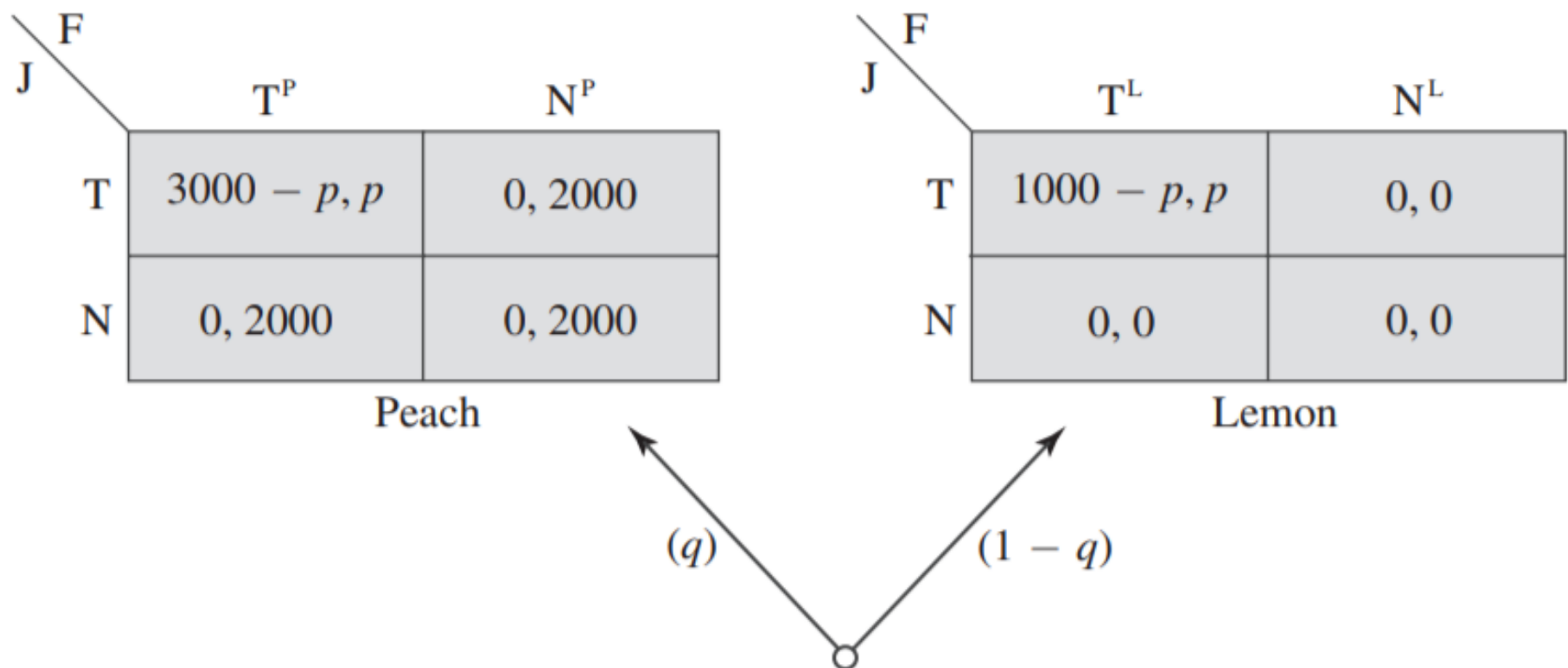


Passed Solution review

1. Regarding the trade game played by Jerry and Freddie that was analyzed in this chapter, are there values of p such that no equilibrium exists? Are there values of p such that the equilibrium entails *no* trade whatsoever?



There are no values of p that would result in no equilibrium. But there can be values for p where neither car is traded.

No trade if $1000 < p \leq 2000$ or $p > 1000 + 2000q$