

Let the general triangle distribution be  $1-F(x,z)=G(x)$  The slope of  $G'(x)$  is positive initially but decreasing in  $x$  and at some critical level of  $x$ ,  $c$  it turns negative. The point  $c$  which strictly increasing in  $z$ .

## 1 $\tilde{x}$

This is strictly decreasing in  $z$  but the degree at which  $\tilde{x}$  is influenced decreases with higher values of  $z$ .

Is strictly decreasing in  $a$ . However this the effect of  $a$  is quickly decreasing.

Is increasing in  $p$ . Constant effect

## 2 $\check{x}$

Is increasing in  $r$ .

Is decreasing in  $z$ .

## 3 $\hat{x}$

remember, decreasing  $\hat{x}$  increases profits

If  $p = 0$  then  $\hat{x} = 0$

Is strictly increasing in  $p$ .

Note: I should compare the effects of increasing  $p$  on profits vs the decrease in  $\hat{x}$

$z$  is strictly decreasing  $\hat{x}$ . Note:(this increase is relatively more severe in  $\hat{x}$  than check? )

$\alpha$  decreases  $\hat{x}$

## 4 *general*

There exists a critical level of  $r$  for all parameter values where the people who are willing to pay collapses.

The lower the  $z$  parameter, the more resistant to  $r$  they are, but if too low there is no equilibrium at all.

## 5 Who has the bigger mass

Note that the area of the intermediate triangle is  $(z - \tilde{x})f(\tilde{x})\frac{1}{2}$

The area of the smaller triangle is  $(z - \hat{x})f(\hat{x})\frac{1}{2}$

The area between the  $x$ 's is therefore.

$$(z - \tilde{x})f(\tilde{x})\frac{1}{2} - (z - \hat{x})f(\hat{x})\frac{1}{2}$$

There are more pirates than non-pirates iff:

$$(z - \tilde{x})f(\tilde{x})\frac{1}{2} - (z - \hat{x})f(\hat{x})\frac{1}{2} > 0$$

$$\rightarrow 2\hat{x}(1 + \frac{1}{z}(z - \hat{x})) - \tilde{x}(1 + \frac{2}{z}(z - \tilde{x})) - z > 0$$