

- 1 = 0
2. Two food trucks, Unbelievable Burgers and Chips (UBC) and Super Flatbreads Uncooked (SFU), set up on campus. If both comply with a cartel agreement to restrict the portions of food sold 100 each, they each earn an economic profit of \$800. If one quietly increases their output to 200 and the other complies with the cartel agreement, the cheater makes an economic profit of \$1200 and the complier suffers an economic loss of \$200. If both firms cheat on the cartel they both make an economic profit of \$0.