PS 8: The Market for Fencing

Round 1
Entrants = Q = 50
Price = $100.25 - $1 \times 50 = $50.25
\( \pi / \text{Firm} = $50.25 - $20 = $30.25 \)

Round 2
Entrants = Q = 52
Price = $100.25 - $1 \times 52 = $48.25
\( \pi / \text{Firm} = $48.25 - $20 = $28.25 \)

In all rounds, non-entrants (who played) kept their day jobs and received $30 in profits.

\[
P = \$100.25 - $1 \times Q
\]
where Q = # of entrants