

The Power of Regulatory Regimes Reexamined: Supplemental Numerical Simulations

By

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Keywords: power of regulatory regimes, price caps, efficiency, competitive entry

JEL classification: L51, L96

* I am grateful to Soheil Nadimi for expert research assistance and to an anonymous referee for extremely helpful comments and suggested revisions that substantially improved the manuscript.

Abstract

This document reports the numerical simulations that supplement those in Dennis L. Weisman, “The Power of Regulatory Regimes Reexamined,” *Journal of Regulatory Economics*, 2020 (forthcoming).

ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.40	0.60	0	0.70	4.5	1.35	0.14	0.30	0.03	3.93	5.93	21.03	12.62	194.67
0.40	0.60	0	0.75	4.5	1.13	0.25	0.25	0.06	3.88	8.29	19.86	21.84	197.13
0.40	0.60	0	0.80	4.5	0.90	0.27	0.20	0.06	3.86	10.17	18.92	23.78	200.36
0.40	0.60	0	0.85	4.5	0.68	0.24	0.15	0.05	3.88	11.71	18.15	21.25	204.16
0.40	0.60	0	0.90	4.5	0.45	0.18	0.10	0.04	3.91	12.99	17.51	15.86	208.40
ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.30	0.70	0	0.50	4.5	2.25	0.61	0.50	0.14	3.70	9.24	19.38	53.30	150.27
0.30	0.70	0	0.55	4.5	2.03	0.74	0.45	0.16	3.63	11.65	18.17	65.07	155.22
0.30	0.70	0	0.60	4.5	1.80	0.77	0.40	0.17	3.62	13.48	17.26	67.51	160.88
0.30	0.70	0	0.65	4.5	1.58	0.74	0.35	0.16	3.63	14.91	16.55	64.75	167.02
0.30	0.70	0	0.70	4.5	1.35	0.67	0.30	0.15	3.67	16.05	15.97	58.91	173.50
0.30	0.70	0	0.75	4.5	1.13	0.58	0.25	0.13	3.71	17.00	15.50	51.16	180.23
0.30	0.70	0	0.80	4.5	0.90	0.48	0.20	0.11	3.76	17.79	15.11	42.15	187.12
0.30	0.70	0	0.85	4.5	0.68	0.37	0.15	0.08	3.82	18.46	14.77	32.31	194.14
0.30	0.70	0	0.90	4.5	0.45	0.25	0.10	0.06	3.88	19.04	14.48	21.90	201.24

Table 1-A. Investment in Cost-Reducing Effort with Exogenous s : $b = \frac{1}{2}, d = \frac{1}{2}, \omega_3 = 0$

ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	w
0.40	0.50	0.10	0.75	4.5	1.13	0.00	0.25	0.00	4.00	4.00	22.00	0.00	193.60
0.40	0.50	0.10	0.80	4.5	0.90	0.10	0.20	0.02	3.95	5.95	21.02	8.41	194.46
0.40	0.50	0.10	0.85	4.5	0.68	0.13	0.15	0.03	3.94	7.61	20.20	11.11	195.77
0.40	0.50	0.10	0.90	4.5	0.45	0.11	0.10	0.02	3.94	9.03	19.49	9.89	197.45
0.40	0.50	0.10	0.95	4.5	0.23	0.07	0.05	0.02	3.97	10.26	18.87	5.93	199.44
ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	w
0.30	0.50	0.20	0.35	4.5	2.93	0.11	0.65	0.02	3.94	4.65	21.67	10.00	145.61
0.30	0.50	0.20	0.40	4.5	2.70	0.37	0.60	0.08	3.82	6.42	20.79	32.29	146.99
0.30	0.50	0.20	0.45	4.5	2.48	0.52	0.55	0.12	3.74	7.93	20.04	45.87	148.55
0.30	0.50	0.20	0.50	4.5	2.25	0.61	0.50	0.14	3.70	9.24	19.38	53.30	150.27
0.30	0.50	0.20	0.55	4.5	2.03	0.64	0.45	0.14	3.68	10.38	18.81	56.30	152.14
0.3	0.50	0.20	0.60	4.5	1.80	0.64	0.40	0.14	3.68	11.39	18.31	56.03	154.14
0.3	0.50	0.20	0.65	4.5	1.58	0.61	0.35	0.14	3.70	12.29	17.86	53.32	156.24
0.3	0.50	0.20	0.70	4.5	1.35	0.55	0.30	0.12	3.72	13.09	17.46	48.74	158.44
0.3	0.50	0.20	0.75	4.5	1.13	0.49	0.25	0.11	3.76	13.81	17.09	42.73	160.71
0.3	0.50	0.20	0.80	4.5	0.90	0.40	0.20	0.09	3.80	14.47	16.77	35.61	163.05
0.3	0.50	0.20	0.85	4.5	0.68	0.31	0.15	0.07	3.84	15.06	16.47	27.62	165.44
0.3	0.50	0.20	0.90	4.5	0.45	0.22	0.10	0.05	3.89	15.61	16.20	18.93	167.87

Table 2-A. Investment in Cost-Reducing Effort with Exogenous s : $b = \frac{1}{2}, d = \frac{1}{2}, \omega_3 > 0$

ω_1	ω_2	ω_3	s^*	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.48	0.52	0	0.96	4.5	0.18	0.02	0.04	0.00	3.99	5.60	21.20	1.38	232.74
0.45	0.55	0	0.90	4.5	0.45	0.08	0.10	0.02	3.96	7.51	20.24	7.41	219.91
0.40	0.60	0	0.79	4.5	0.95	0.27	0.21	0.06	3.86	9.99	19.04	23.82	199.86
0.35	0.65	0	0.69	4.5	1.40	0.51	0.31	0.11	3.75	11.77	18.12	44.56	180.19
0.30	0.70	0	0.59	4.5	1.85	0.77	0.41	0.17	3.62	13.28	17.36	67.55	160.16
0.25	0.75	0	0.50	4.5	2.25	1.04	0.50	0.23	3.48	14.61	16.70	91.83	139.37
0.20	0.80	0	0.41	4.5	2.66	1.33	0.59	0.30	3.33	15.84	16.08	117.06	117.51
0.15	0.85	0	0.32	4.5	3.06	1.63	0.68	0.36	3.19	17.05	15.48	143.31	94.22
0.10	0.90	0	0.23	4.5	3.47	1.94	0.77	0.43	3.03	18.35	14.83	171.14	68.96
0.05	0.95	0	0.13	4.5	3.92	2.30	0.87	0.51	2.85	19.94	14.03	202.20	40.52
0.01	0.99	0	0.04	4.5	4.32	2.66	0.96	0.59	2.67	22.22	12.89	234.39	12.10

Table 3-A. Investment in Cost-Reducing Effort with Endogenous s : $b = \frac{1}{2}, d = \frac{1}{2}, \omega_3 = 0$

ω_1	ω_2	ω_3	s^*	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.48	0.50	0.02	0.98	4.5	0.09	0.00	0.02	0.00	4.00	4.85	21.57	0.40	232.43
0.45	0.50	0.05	0.94	4.5	0.27	0.03	0.06	0.01	3.99	6.04	20.98	2.57	218.47
0.40	0.50	0.10	0.86	4.5	0.63	0.13	0.14	0.03	3.94	7.81	20.09	11.14	195.98
0.40	0.55	0.05	0.82	4.5	0.81	0.20	0.18	0.04	3.90	8.99	19.50	17.83	197.87
0.35	0.55	0.10	0.72	4.5	1.26	0.39	0.28	0.09	3.80	10.34	18.83	34.44	176.23
0.35	0.60	0.05	0.70	4.5	1.35	0.45	0.30	0.10	3.77	11.12	18.44	39.93	178.23
0.30	0.60	0.10	0.59	4.5	1.85	0.71	0.41	0.16	3.64	12.25	17.87	62.53	156.64
0.30	0.65	0.05	0.59	4.5	1.85	0.74	0.41	0.16	3.63	12.81	17.60	65.17	158.43
0.25	0.65	0.10	0.47	4.5	2.39	1.05	0.53	0.23	3.47	13.83	17.09	92.60	136.43
0.25	0.60	0.15	0.44	4.5	2.52	1.07	0.56	0.24	3.47	13.34	17.33	94.08	134.91
0.20	0.65	0.15	0.31	4.5	3.11	1.47	0.69	0.33	3.26	14.85	16.58	129.40	113.98
0.20	0.60	0.20	0.25	4.5	3.38	1.57	0.75	0.35	3.21	14.41	16.80	138.56	112.83
0.15	0.65	0.20	0.11	4.5	4.01	2.04	0.89	0.45	2.98	15.91	16.04	179.68	90.75

Table 4-A. Investment in Cost-Reducing Effort with Endogenous s : $b = \frac{1}{2}, d = \frac{1}{2}, \omega_3 > 0$

ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.40	0.60	0	0.70	1.5	0.45	0.07	0.30	0.05	3.98	4.89	19.11	5.21	80.31
0.40	0.60	0	0.75	1.5	0.38	0.11	0.25	0.07	3.97	5.97	18.03	9.01	81.23
0.40	0.60	0	0.80	1.5	0.30	0.12	0.20	0.08	3.97	6.83	17.17	9.81	82.54
0.40	0.60	0	0.85	1.5	0.23	0.11	0.15	0.07	3.97	7.53	16.47	8.77	84.13
0.40	0.60	0	0.90	1.5	0.15	0.08	0.10	0.05	3.98	8.10	15.90	6.55	85.94
ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.30	0.70	0	0.50	1.5	0.75	0.27	0.50	0.18	3.93	6.44	17.56	21.95	61.67
0.30	0.70	0	0.55	1.5	0.68	0.33	0.45	0.22	3.92	7.55	16.45	26.78	63.60
0.30	0.70	0	0.60	1.5	0.60	0.35	0.40	0.23	3.91	8.38	15.62	27.77	65.90
0.30	0.70	0	0.65	1.5	0.53	0.33	0.35	0.22	3.92	9.02	14.98	26.65	68.44
0.30	0.70	0	0.70	1.5	0.45	0.30	0.30	0.20	3.92	9.53	14.47	24.25	71.15
0.30	0.70	0	0.75	1.5	0.38	0.26	0.25	0.17	3.93	9.95	14.05	21.07	73.98
0.30	0.70	0	0.80	1.5	0.30	0.22	0.20	0.15	3.95	10.30	13.70	17.37	76.90
0.30	0.70	0	0.85	1.5	0.23	0.17	0.15	0.11	3.96	10.60	13.40	13.32	79.89
0.30	0.70	0	0.90	1.5	0.15	0.11	0.10	0.07	3.97	10.86	13.14	9.04	82.92

Table 1-B. Investment in Cost-Reducing Effort with Exogenous s : $b=1, d=\frac{1}{4}, \omega_3=0$

ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	w
0.40	0.50	0.10	0.75	1.5	0.38	0.00	0.25	0.00	4.00	4.00	20.00	0.00	80..00
0.40	0.50	0.10	0.80	1.5	0.30	0.04	0.20	0.03	3.99	4.90	19.10	3.47	80.27
0.40	0.50	0.10	0.85	1.5	0.23	0.06	0.15	0.04	3.99	5.65	18.35	4.59	80.78
0.40	0.50	0.10	0.90	1.5	0.15	0.05	0.10	0.03	3.99	6.30	17.70	4.09	81.49
0.40	0.50	0.10	0.95	1.5	0.08	0.03	0.05	0.02	3.99	6.85	17.15	2.45	82.35
ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	w
0.30	0.50	0.20	0.35	1.5	0.98	0.05	0.65	0.03	3.99	4.31	19.69	4.13	60.09
0.30	0.50	0.20	0.40	1.5	0.90	0.17	0.60	0.11	3.96	5.14	18.86	13.31	60.49
0.30	0.50	0.20	0.45	1.5	0.83	0.24	0.55	0.16	3.94	5.84	18.16	18.90	61.02
0.30	0.50	0.20	0.50	1.5	0.75	0.27	0.50	0.18	3.93	6.44	17.56	21.95	61.67
0.30	0.50	0.20	0.55	1.5	0.68	0.29	0.45	0.19	3.93	6.96	17.04	23.18	62.41
0.30	0.50	0.20	0.60	1.5	0.60	0.29	0.40	0.19	3.93	7.42	16.58	23.07	63.24
0.30	0.50	0.20	0.65	1.5	0.53	0.27	0.35	0.18	3.93	7.82	16.18	21.96	64.12
0.30	0.50	0.20	0.70	1.5	0.45	0.25	0.30	0.17	3.94	8.18	15.82	20.08	65.06
0.30	0.50	0.20	0.75	1.5	0.38	0.22	0.25	0.15	3.94	8.50	15.50	17.61	66.04
0.30	0.50	0.20	0.80	1.5	0.30	0.18	0.20	0.12	3.95	8.79	15.21	14.68	67.07
0.30	0.50	0.20	0.85	1.5	0.23	0.14	0.15	0.09	3.96	9.06	14.94	11.39	68.12
0.30	0.50	0.20	0.90	1.5	0.15	0.10	0.10	0.07	3.98	9.29	14.71	7.81	69.20

Table 2-B. Investment in Cost-Reducing Effort with Exogenous s : $b=1, d = \frac{1}{4}, \omega_3 > 0$

ω_1	ω_2	ω_3	s^*	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.48	0.52	0	0.96	1.5	0.06	0.01	0.04	0.01	4.00	4.73	19.27	0.57	96.15
0.45	0.55	0	0.90	1.5	0.15	0.04	0.10	0.03	3.99	5.61	18.39	3.06	90.79
0.40	0.60	0	0.79	1.5	0.32	0.12	0.21	0.08	3.97	6.72	17.28	9.83	82.33
0.35	0.65	0	0.69	1.5	0.47	0.23	0.31	0.15	3.94	7.58	16.42	18.36	74.03
0.30	0.70	0	0.59	1.5	0.62	0.35	0.41	0.23	3.91	8.29	15.71	27.79	65.61
0.25	0.75	0	0.50	1.5	0.75	0.47	0.50	0.31	3.88	8.91	15.09	37.72	56.92
0.20	0.80	0	0.41	1.5	0.89	0.60	0.59	0.40	3.85	9.49	14.51	48.01	47.83
0.15	0.85	0	0.32	1.5	1.02	0.73	0.68	0.49	3.82	10.06	13.94	58.68	38.22
0.10	0.90	0	0.23	1.5	1.16	0.87	0.77	0.58	3.78	10.67	13.33	69.95	27.88
0.05	0.95	0	0.13	1.5	1.31	1.03	0.87	0.69	3.74	11.41	12.59	82.48	16.32
0.01	0.99	0	0.04	1.5	1.44	1.19	0.96	0.79	3.70	12.46	11.54	95.41	4.85

Table 3-B. Investment in Cost-Reducing Effort with Endogenous s : $b = 1, d = \frac{1}{4}, \omega_3 = 0$

ω_1	ω_2	ω_3	s^*	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.48	0.50	0.02	0.98	1.5	0.03	0.00	0.02	0.00	4.00	4.39	19.61	0.16	96.04
0.45	0.50	0.05	0.94	1.5	0.09	0.01	0.06	0.01	4.00	4.93	19.07	1.06	90.25
0.40	0.50	0.10	0.86	1.5	0.21	0.06	0.14	0.04	3.99	5.75	18.25	4.60	80.87
0.40	0.55	0.05	0.82	1.5	0.27	0.09	0.18	0.06	3.98	6.29	17.71	7.36	81.58
0.35	0.55	0.10	0.72	1.5	0.42	0.18	0.28	0.12	3.96	6.92	17.08	14.20	72.50
0.35	0.60	0.05	0.70	1.5	0.45	0.21	0.30	0.14	3.95	7.28	16.72	16.46	73.27
0.30	0.60	0.10	0.59	1.5	0.62	0.32	0.41	0.21	3.92	7.82	16.18	25.73	64.21
0.30	0.65	0.05	0.59	1.5	0.62	0.34	0.41	0.23	3.92	8.07	15.93	26.82	64.92
0.25	0.65	0.10	0.47	1.5	0.80	0.48	0.53	0.32	3.88	8.56	15.44	38.04	55.71
0.25	0.60	0.15	0.44	1.5	0.84	0.48	0.56	0.32	3.88	8.34	15.66	38.64	55.08
0.20	0.65	0.15	0.31	1.5	1.04	0.66	0.69	0.44	3.83	9.06	14.94	53.03	46.32
0.20	0.60	0.20	0.25	1.5	1.13	0.71	0.75	0.47	3.82	8.87	15.13	56.75	45.80
0.15	0.65	0.20	0.11	1.5	1.34	0.92	0.89	0.61	3.77	9.58	14.42	73.40	36.64

Table 4-B. Investment in Cost-Reducing Effort with Endogenous s : $b = 1, d = \frac{1}{4}, \omega_3 > 0$

ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.40	0.60	0	0.70	2.25	0.68	0.07	0.30	0.03	3.98	5.98	21.00	12.61	194.20
0.40	0.60	0	0.75	2.25	0.56	0.12	0.25	0.05	3.97	8.37	19.81	21.80	196.30
0.40	0.60	0	0.80	2.25	0.45	0.13	0.20	0.06	3.97	10.26	18.87	23.72	199.44
0.40	0.60	0	0.85	2.25	0.34	0.12	0.15	0.05	3.97	11.78	18.11	21.21	203.32
0.40	0.60	0	0.90	2.25	0.23	0.09	0.10	0.04	3.98	13.04	17.48	15.83	207.76
ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.30	0.70	0	0.50	2.25	1.13	0.30	0.50	0.13	3.92	9.43	19.28	53.03	148.73
0.30	0.70	0	0.55	2.25	1.01	0.37	0.45	0.16	3.91	11.88	18.06	64.67	153.28
0.30	0.70	0	0.60	2.25	0.90	0.38	0.40	0.17	3.90	13.70	17.15	67.07	158.79
0.30	0.70	0	0.65	2.25	0.79	0.37	0.35	0.16	3.91	15.11	16.44	64.35	164.95
0.30	0.70	0	0.70	2.25	0.68	0.33	0.30	0.15	3.92	16.23	15.88	58.58	171.54
0.30	0.70	0	0.75	2.25	0.56	0.29	0.25	0.13	3.93	17.15	15.43	50.90	178.46
0.30	0.70	0	0.80	2.25	0.45	0.24	0.20	0.11	3.94	17.91	15.04	41.98	185.60
0.30	0.70	0	0.85	2.25	0.34	0.18	0.15	0.08	3.95	18.55	14.72	32.21	192.93
0.30	0.70	0	0.90	2.25	0.23	0.12	0.10	0.05	3.97	19.10	14.45	21.85	200.39

Table 1-C. Investment in Cost-Reducing Effort with Exogenous s : $b = \frac{1}{2}, d = \frac{1}{4}, \omega_3 = 0$

ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	w
0.40	0.50	0.10	0.75	2.25	0.56	0.00	0.25	0.00	4.00	4.00	22.00	0.00	193.60
0.40	0.50	0.10	0.80	2.25	0.45	0.05	0.20	0.02	3.99	3.99	21.01	8.40	194.15
0.40	0.50	0.10	0.85	2.25	0.34	0.06	0.15	0.03	3.98	7.65	20.17	11.10	195.35
0.40	0.50	0.10	0.90	2.25	0.23	0.06	0.10	0.03	3.99	9.06	19.47	9.88	197.08
0.40	0.50	0.10	0.95	2.25	0.11	0.03	0.05	0.01	3.99	10.28	18.86	5.93	199.21
ω_1	ω_2	ω_3	s	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	w
0.30	0.50	0.20	0.35	2.25	1.46	0.06	0.65	0.03	3.99	4.70	21.65	9.99	145.33
0.30	0.50	0.20	0.40	2.25	1.35	0.18	0.60	0.08	3.95	6.54	20.73	32.19	146.07
0.30	0.50	0.20	0.45	2.25	1.24	0.26	0.55	0.12	3.94	8.10	19.95	45.67	147.24
0.30	0.50	0.20	0.50	2.25	1.13	0.30	0.50	0.13	3.92	9.43	19.28	53.03	148.73
0.30	0.50	0.20	0.55	2.25	1.01	0.32	0.45	0.14	3.92	10.58	18.71	55.99	150.50
0.30	0.50	0.20	0.60	2.25	0.90	0.32	0.40	0.14	3.92	11.59	18.21	55.73	152.48
0.30	0.50	0.20	0.65	2.25	0.79	0.30	0.35	0.13	3.92	12.47	17.77	53.04	154.64
0.30	0.50	0.20	0.70	2.25	0.68	0.28	0.30	0.12	3.93	13.25	17.37	48.51	156.95
0.30	0.50	0.20	0.75	2.25	0.56	0.24	0.25	0.11	3.94	13.95	17.02	42.56	159.39
0.30	0.50	0.20	0.80	2.25	0.45	0.20	0.20	0.11	3.95	14.58	16.71	35.49	161.93
0.30	0.50	0.20	0.85	2.25	0.34	0.16	0.15	0.08	3.96	15.15	16.42	27.54	164.55
0.30	0.50	0.20	0.90	2.25	0.23	0.11	0.10	0.05	3.97	15.67	16.17	18.89	167.26

Table 2-C. Investment in Cost-Reducing Effort with Exogenous s : $b = \frac{1}{2}, d = \frac{1}{4}, \omega_3 > 0$

ω_1	ω_2	ω_3	s^*	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.48	0.52	0	0.96	2.25	0.09	0.01	0.04	0.00	4.00	5.60	21.20	1.38	232.67
0.45	0.55	0	0.90	2.25	0.23	0.04	0.10	0.02	3.99	7.54	20.23	7.40	219.60
0.40	0.60	0	0.79	2.25	0.47	0.14	0.21	0.06	3.97	10.01	18.99	23.77	198.94
0.35	0.65	0	0.69	2.25	0.70	0.25	0.31	0.11	3.94	11.92	18.04	44.37	178.64
0.30	0.70	0	0.59	2.25	0.92	0.38	0.41	0.17	3.90	13.51	17.25	67.11	158.09
0.25	0.75	0	0.50	2.25	1.13	0.52	0.50	0.23	3.87	14.90	16.55	91.02	136.93
0.20	0.80	0	0.41	2.25	1.33	0.66	0.59	0.29	3.84	16.20	15.90	115.75	114.89
0.15	0.85	0	0.32	2.25	1.53	0.80	0.68	0.36	3.80	17.47	15.26	141.35	91.66
0.10	0.90	0	0.23	2.25	1.73	0.96	0.77	0.43	3.76	18.83	14.59	168.35	66.73
0.05	0.95	0	0.13	2.25	1.96	1.13	0.87	0.50	3.72	20.48	13.76	198.32	38.98
0.01	0.99	0	0.04	2.25	2.16	1.30	0.96	0.58	3.67	22.80	12.60	229.19	11.57

Table 3-C. Investment in Cost-Reducing Effort with Endogenous s : $b = \frac{1}{2}, d = \frac{1}{4}, \omega_3 = 0$

ω_1	ω_2	ω_3	s^*	e_1^*	e_2^*	e_3^*	$\rho(e_2^*)$	$\rho(e_3^*)$	$c(e_3^*)$	P	Q	$\hat{\Pi}$	W
0.48	0.50	0.02	0.98	2.25	0.05	0.00	0.02	0.00	4.00	4.85	21.57	0.40	232.42
0.45	0.50	0.05	0.94	2.25	0.14	0.01	0.06	0.00	4.00	6.05	20.98	2.57	218.36
0.40	0.50	0.10	0.86	2.25	0.32	0.06	0.14	0.03	3.98	7.85	20.07	11.13	195.56
0.40	0.55	0.05	0.82	2.25	0.41	0.10	0.18	0.04	3.97	9.06	19.47	17.80	197.19
0.35	0.55	0.10	0.72	2.25	0.63	0.20	0.28	0.09	3.95	10.47	18.77	34.33	175.06
0.35	0.60	0.05	0.70	2.25	0.68	0.23	0.30	0.10	3.94	11.26	18.37	39.77	176.86
0.30	0.60	0.10	0.59	2.25	0.92	0.35	0.41	0.16	3.91	12.47	17.77	62.15	154.76
0.30	0.65	0.05	0.59	2.25	0.92	0.37	0.41	0.16	3.91	13.03	17.49	64.76	156.45
0.25	0.65	0.10	0.47	2.25	1.19	0.52	0.53	0.23	3.87	14.13	16.93	91.77	134.02
0.25	0.60	0.15	0.44	2.25	1.26	0.53	0.56	0.24	3.87	13.65	17.17	93.23	132.49
0.20	0.65	0.15	0.31	2.25	1.55	0.73	0.69	0.32	3.82	15.26	16.37	127.79	111.18
0.20	0.60	0.20	0.25	2.25	1.69	0.78	0.75	0.35	3.81	14.85	16.57	136.73	109.86
0.15	0.65	0.20	0.11	2.25	2.00	1.00	0.89	0.44	3.75	16.46	15.77	176.61	87.67

Table 4-C. Investment in Cost-Reducing Effort with Endogenous s : $b = \frac{1}{2}, d = \frac{1}{4}, \omega_3 > 0$