

<Lecture Note>

Quizzes and Communications*

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Question 2003. I. A duopoly with a totally indifferenced product is just formed. Two marketing consultants, A and B engage in a heated debate. A proudly announces: "As the product is perfectly homogeneous, any market share is equally possible for the duopolists, and hence they will share the market equally." B vehemently counters: "Don't utter nonsense. As the product is perfectly homogeneous, the market will neither favor nor disfavor any of the two. That is all we can say,"

Formulate the debate into a statistical model.

* In this section, questions are proposed, daring the reader to answer them. Submitted answers will be considered for publication. The proposers' own answers will appear in the next issue.

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