

**Short Answer Key for
Reciprocal Dumping Problem**

1)

$$q_1^h = q_2^h = 35$$

$$q_1^f = q_2^f = 30$$

$$p_1 = p_2 = 35$$

$$\pi_1 = \pi_2 = 2125$$

2) yes they are dumping because:

price abroad - transport costs < price at home

i.e. $35 - 5 = 30 < 35$