Merger simulation with linear Cournot model:

ONLY change cells B7 - B14, which are estimated demand parameters, observed pre-merger quantities, and anticipated efficiencies. Rest adjusts automatically.

Assumed that costs of merged firm (Firms 1 and 2) will be Firm 1's marginal costs times efficiency parameter (set e = 1 if no efficiencies)

P = 20 - 0.01Q

Cost efficiencies: e = 0.93 (post-merger: c1*e)

a: 20	Pre-merger Cournot Equilibrium								
b: 0.01	Firm	*q*	*c*	*s*	*profits*	Q:	950.0		
q1: 250.0	1	250.0	8.0	0.26	625.0	P:	10.50		
q2: 200.0	2	200.0	8.5	0.21	400.0	PS:	2175.0		
q3: 50.0	3	50.0	10.0	0.05	25.0	CS:	4512.5		
q4: 150.0	4	150.0	9.0	0.16	225.0	TS:	6687.5		
q5: 300.0	5	300.0	7.5	0.32	900.0	HHI:	2410		
e: 0.93	Post-merger Cournot Equilibrium								
	Firm	*q*	*c*	*s*	*profits*	Q:	921.2	Δ Q:	-28.8
	1&2	334.8	7.4	0.36	1120.9	P:	10.79	Δ P:	0.29
	3	78.8	10.0	0.09	62.1	PS:	2583.8	Δ PS:	408.8
	4	178.8	9.0	0.19	319.7	CS:	4243.0	Δ CS:	-269.5
	5	328.8	7.5	0.36	1081.1	TS:	6826.8	Δ TS:	139.3
						HHI:	3045	Δ HHI:	635