

Instructions

Welcome to this experiment in economic decision making. It will take up to 90 minutes. Before we start, I will explain the rules of this experiment. You will also find these rules on the paper provided, so you can read along and check again during the experiment. If you have questions, please do not speak up but raise your hand and I will come to you and answer your question privately.

From now on, please don't talk and listen carefully. In this experiment you can earn up to £48. Your reward will be paid out in cash at the end of the experiment. None of the other participants will know how much money you made. It will earn depends on chance, your decisions and those of the other participants. That is why it is important that you understand the rules of this experiment.

As this is an economic experiment, we are not permitted to use deception. Therefore, everything that is stated in the instructions, the experiment itself or said by me is true.

This experiment consists of five parts and the outcome of these parts will only be revealed at the very end.

Again, please do not talk during this experiment! If you have questions just raise your hand.

If there are no questions, we can start with the instructions for the first part.

Part 1

This part consists of ten rounds. At the end of the experiment one of the ten rounds will be randomly chosen. The earnings made in this chosen round will be paid out in cash together with your earnings from the other parts. Each of these rounds will be played with a different, randomly chosen, participant.

Example

Choice (You)	Choice (Partner)	Payments (You)	Payments (Partner)
Up	Up	0	0
Up	Down	10	1
Down	Up	1	10
Down	Down	0	0

The experiment begins now. Please make your first choice.

Your choice? ☐ Up
☐ Down

In this example, given that this round is chosen for payment, you would get:

If you choose Up and the other participant chooses Down, you get £10 and the other participant gets £1.

If you choose Down and the other participant chooses Up, you get £1 and the other participant gets £10.

If you both choose the same option (Up or Down), neither of you will get anything.

Remember, you are allowed to use the instructions provided during the quiz and the experiment.

Part 2

The second part also consists of ten rounds. At the end of the experiment one of the ten rounds will be randomly chosen. The earnings made in this round will be paid out in cash together with your earnings from the other parts. Each of these rounds will be played with a different participant. However, this time whenever you get a positive payment, your partner gets nothing and vice versa.

Example

Choice (You)	Choice (Partner)	Payments (You)	Payments (Partner)
Up	Up	5	0
Up	Down	0	1
Down	Up	0	1
Down	Down	1	0

The experiment begins now. Please make your choice.

Your choice? ☐ Up
☐ Down

In this example you would get:

If you choose Up and the other participant chooses Up, you get £5 and the other participant gets nothing.

If you choose Down and the other participant chooses Down, you get £1 and the other participant gets nothing.

If you both choose different options, you get nothing and the other participant gets £1.

Remember, you are allowed to use the instructions provided during the quiz and the experiment.

Part 3

This part consists of 2 periods with ten rounds each, therefore, you will have to make 20 choices in total. For every period one of the ten rounds will be randomly selected for payment. The earnings made in this round will be paid out in cash together with your earnings from the other parts.

In this part you will not play with another participant but you will bet on the outcome of dice rolls of a 10-sided dice like the one given to you. The dice roll will be performed by the computer at the end of the experiment and every possible outcome (the numbers between 0 and 9) will be equally likely.

Example

Now you have to choose between two options. Independently of what you choose, a 10-sided dice will be cast which determines if you win or lose.

Option	Reward
Option A:	If the dice shows a number strictly higher than 3 (which happens 60% of the time) you get 1 Pounds , otherwise nothing.
Option B	If the dice shows a number strictly higher than 5 (which happens 40% of the time) you get 5 Pounds , otherwise nothing.

Which option do you want to choose? ☐ Option A
☐ Option B

If you have chosen Option A and the dice shows a 4, 5, 6, 7, 8 or 9 you will get £1, if it shows 0, 1, 2 or 3 you will get nothing. If you have chosen Option B and the dice shows a 6, 7, 8 or 9 you will get £5, if it shows 0, 1, 2, 3, 4 or 5 you will get nothing.

You can find the instructions for this part on your screen. It only consists of a single round with only one decision and no quiz.

Again, the earnings made in this round will be paid out in cash together with your earnings from the other parts and will be matched with another random participant.

In this part we use the alternative currency Experimental Dollar (ED) which will be converted into Pound Sterling at the end of the experiment. Every Experimental Dollar is worth 20 pence.

You can find the instructions for this part on your screen. Again, it only consists of a single round with only one decision and no quiz.

In this part you will bet on the outcome of a single dice roll of a 10-sided dice like the one given to you.

The dice roll will be performed by the computer at the end of the experiment and every outcome of the roll is equally likely.

You will receive the result of this experiment and the dice roll for this part separately from the payments earned in the other parts of this experiment.

You can find the instructions for this part on your screen. Again, it only consists of a single round with only one decision and no quiz.

In this part you will bet on the outcome of a single dice roll of a 10-sided dice like the one given to you.

The dice roll will be performed with a real dice. Therefore, every outcome of the roll is equally likely.

You will receive the result of this part and the result of the dice roll for this part separately from the payments earned in the other parts of this experiment.

A dice will be rolled independently of your choice to make sure that no one will learn what you have chosen.

Only click OK, when asked to do so.