**Instructions for Proposers**

**INTRODUCTION**

You will receive an amount of 10 false notes of 1000 Japanese Yen (in total, 10,000 JPY). Your task is to choose the amount of money that you are willing to offer to a responder. You are free to choose any amount you desire; for example, 10,000 JPY for you and zero for the responder are fine, so does zero JPY for you and 10,000 JPY for the responder. You will make a proposal now, and then your responder – who is located in another room – will accept or reject your offer. If your responder ACCEPTS your offer, then she receives the amount you offered and you receive the remnant amount. If your responder REJECTS it, both players end up with no money.

**PRIZE**

Among all participants in this experiment, the proposer with the highest offer accepted by the responder will receive the prize of 2,500 yen (real notes), and the responder who receive the highest amount of money will receive equally 2,500 yen (real notes)¹.

In case of a tie, the reward will be given randomly among the best performers in this experiment.

**FILLING OUT THE PROPOSAL FORM**

ONLY when you are instructed to do so, pick your “Proposal Form”, and fill it out with your personal code at the top of the form (the sticky note you have received has your code). Don’t throw your sticky note away - you will need it afterwards.

As a proposer, you will choose how many money (JPY false notes) to put in the envelope, and fill out the Proposal Form with your offer. Once you finish, please insert your Proposal Form inside the envelope together with the notes (if any) and wait.

In a few minutes, your responder will receive your proposal and decide whether or not to accept. Again, if the responder accepts, by circling ACCEPT on the form, you will each receive the amount circled in the proposal. If the responder rejects the proposal, by circling REJECT, both the responder AND you will receive nothing.

Once your responder answers, the mediator will inform you the outcome and dismiss all participants from the experiment.

*Important: the amount of money notes has to be EXACT as it is written in the Proposal Form – otherwise the experiment would be compromised.*

¹ winners will be notified directly by the experimenter