How will you be paid for your estimate?

You are asked to state a number between 0 and 100 as your ESTIMATE for the percentage of that group who chose tournament.

1. Let us call your ESTIMATE E, and the TRUE percentage T.

2. Given your estimate, we can calculate the difference $(E - T)^2$.

   Note: Since both E and T are between 0 and 100, the minimum value of this difference is 0, while the maximum value is 10,000.

3. At the end of the experiment, we use a computer software to randomly draw a number N between 0 and 10,000.

   Each number between 0 and 10,000 is equally likely to be drawn.

4. You earn 50 cents if $(E - T)^2$ is less than or equal to N, and zero otherwise.

Summary:

You are more likely to receive 50 cents when $(E - T)^2$ is smaller!
The more accurate your prediction is, the smaller $(E - T)^2$ will be, and the more likely it is that you receive 50 cents.

Hence, *you should state your prediction as accurately as possible.*