Instructions

In the next period of the experiment, everything will be **exactly the same except** we will change how the **winning stock** is determined.

In a **previous experiment ACTUAL undergraduate participants** were randomly matched into pairs to play the following game for real money:

Each participant is assigned to be either Player A or Player B. Player B chooses between actions Left or Right while Player A chooses between Blue and Green. Players make their choices **simultaneously**, without observing one another's choice until both have chosen. The combination of Player B's and Player A's choices determine their payoffs. We visualize these payoff potentials in a game matrix, shown below, which describe how payoffs are determined for each combination of Player A's and Player B's actions. In each cell of the matrix, the first number is Player A's payoff while the second is Player B's payoff. All participants saw this matrix and were fully aware of the rules.

		Player B: Left	Player B: Right
Player A	Blue	**45** 45	**0** 40
	Green	**40** 0	**20** 20

For example:

- if Player A chose Blue and Player B Left, both were paid 45
- if Player A chose Green and Player B Right, both were paid 20
- if Player A chose Blue and Player B Right, A was paid 0 while B was paid 40
- if Player A chose Green and Player B Left, A was paid 40 while B was paid 0

In each round of the next period, we will randomly select one pair of participants from this actual experiment and determine the value of the stock based on their actual choices. Specifically, each round the winning stock **will be the color of the action for player A** that would have given player A a higher payoff.

In the example below, Player B chose Right. As a result, Player A would have had a higher payoff from choosing Green (20 versus 0). Therefore, Green is the winning stock in this round.

Past Participant Chose Right: GREEN Wins

		Player B: Left	Player B: Right
Player A	Blue	45, 45	0, 40
	Green	40, 0	20, 20

On the other hand, in the example below Player B chose Left. As a result, Player A would have had a higher payoff from choosing Blue (45 versus 40). Therefore, Blue is the winning stock in this round.

Past Participant Chose Left: BLUE Wins

		Player B: Left	Player B: Right
Player A	Blue	45, 45	0, 40
	Green	40, 0	20, 20

In summary, Blue wins if Player B chooses left and Green wins if Player B chooses right. You should invest in the green versus blue stocks according to the probabilities that you think Player B's in the previous experiment chose Left and Right.

We will only use this procedure in the next period. Please carefully think about your decisions as your earnings will depend a lot on the investment decision you make.