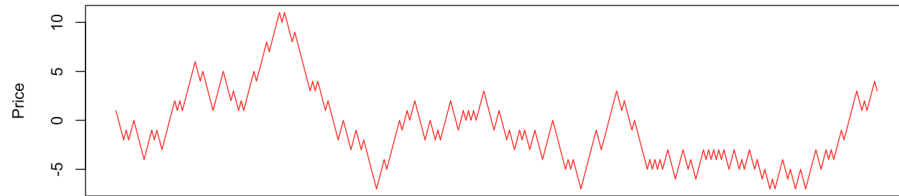


Instructions

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

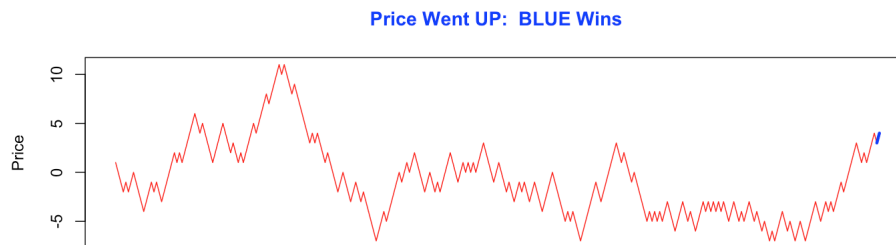
The winning stock in the next period depends upon an **imaginary price path**, like you might see in the real stock market. We started the price at zero. Each “tick” we used a random rule to either move the price up or down by 1. Below we show you the consequence of doing this over hundreds of ticks in sequence, applying the same random rule each time.



Each round we will apply the **same** random rule. If

- the rule causes the price to **go up**, the **blue stock** will be the winner that round while
- if the rule causes the price to **go down**, the **green stock** will be the winner.

In the example below, the random rule causes the price to go up (note that the stock goes up in blue on the right side of the graph). Therefore the blue stock is the winning stock this round.



On the other hand, in the example below, the random process causes the price to go down (note that the stock goes down in green on the right side of the graph). Therefore the green stock is the winning stock this round.



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.