Control Questions

Please fix the errors in the form.

Answer the following questions before you can proceed with the experiment.

- 1. What are you supposed to do in this experiment?
 - Work on a task for 10 minutes.
 - Select a bonus rate for a person who will work on a task.
 - Select a bonus rate and a reward decision for a person who will work on a task.
 - Select a bonus rate and work on a task.
- 2. Who has selected a bonus rate for you:



That was incorrect, please reread the instructions and then try again.

3. What is the lowest bonus rate that could have been selected by the other participant (in cents)?



4. What is the maximum bonus rate that could have been selected by the other participant (in cents)?



5. Higher points in a task lead to higher bonus payment for both participants for a given bonus rates.



6. Higher bonus rate for you means lower bonus rate for the other participant.



7. The other participant may reward your effort depending on how many points you score on the task.



That was incorrect, please reread the instructions and then try again.



Instructions

Please fix the errors in the form.

Welcome to our economics experiment! Please read the following instructions very carefully.

Your task is to work on a simple button-pressing task for 10 minutes at **bonus rate selected by another participant** (details of button-pressing task are given below). Both you and the other participant will be paid 1 dollar just for participating in this study, you both can earn additional bonus amount depending on the decisions in this experiment. The bonuses will be paid in 24 hours.

The other participant could select **any rate between 0 cents and 10 cents for every 100 points scored** by you in the task. In the next screen you will see the bonus rate selected by the other participant and you will then work on a task for 10 minutes. While you will earn a bonus of x cents for every 100 points that you score, the other participant will receive (10-x) cents as a bonus for every 100 points scored by you.

After you have finished working for 10 minutes, **the other participant may decide to reward you** with additional ten percent of his/her earnings, based on how many points you scored in a task.

The other participant did not know anything about your identity when he/she chose the bonus rate for you and will only observe the points scored by you after you have finished working on the task.

To summarize, the other participant has selected a bonus rate between 0 and 10 cents for every 100 points scored by you. In the next screen you will see the bonus rate selected and you will then work on a button-pressing task for 10 minutes. The other participant will decide whether to reward you with additional 10 percent of his bonus based on how many points you score in a task. Bonus payments will be determined once you have finished working on the task.

Description of the Task:

The object of the task is to alternately press the "a" and "b" buttons on the keyboard as quickly as possible for 10 minutes. Every time you successfully press the "a" and then the "b" button, you will receive a point. Note that points will only be rewarded when you alternate button pushes: just pressing the "a" or the "b" button without alternating between the two will not result in points. Buttons must be pressed by hand only (key-bindings or automated button-pushing programs/scripts cannot be used) or the task will not be approved. Feel free to score as many points as you can.

Make sure you understand the instructions before proceeding. The next screen will ask you questions to test your understanding of the experiment.

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