

## Summary

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You play with two other players.

You can form a group with one or both of these players. The group will receive a budget which can be distributed freely among its group members. The size of the budget depends on the size of the group and who is in the group (more details on this on the next page).

You have **five minutes** to discuss and bargain in a **chat** with the other two players about which group you want to form and how you want to distribute its budget among its group members. After the five minutes, at most one group will form (more details on the group formation later).

In each round, you will play with different participants. You will play 6 rounds in total, where the first round is a trial-round that does not affect your payment at the end of the experiment. (Who you play with will not depend on your decisions and payoffs in the previous rounds.)

## Payment

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Your payment at the end of the experiment consists of

- the base payment of 10 CHF, plus
- the average payoff across the non-trial rounds, converted to CHF (1 point = 0.6 CHF) and rounded up to the nearest integer.

# Proposals

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## Group budgets

The assignment of player roles works as follows: After these instructions, you will work on a task (moving sliders). In each round, you and the respective two other players will each be randomly assigned a player role (A, B1, B2). **The better you performed on the task, the higher the probability that you will be assigned player role A. The player roles will be reassigned each round.**

**A group needs to include Player A to receive any budget. The more members a group has, the bigger the budget:**

- If Player A and one other player form a group together, they have a budget of 90 points.
- If all three players form a group together, they have a budget of 100 points.

This information is also summarized in a table and a corresponding graph for reference during the discussion and bargaining phase.

## Make a proposal

When you want to make a new proposal for which group to form and how to split its budget, you submit it in the "Make a proposal" interface. For each proposal, simply select the players you want to include in the group and then enter the amount they get below (you can only enter positive, whole numbers). On the right you see two totals: the budget that is available to this group (top) and how much you have already distributed among the group members (bottom).

**During the five minutes of the discussion phase, you can make as many proposals as you like. Furthermore, proposals are not binding.**

## Past proposals

Once a new proposal is made, it is added to the table "Past proposals". This gives an overview of all proposals that have been made so far. Each row corresponds to one proposal. In the first column, you see the "ID" of the proposal (this is just the number of the proposal), this is used for easier reference later on. In the second column you see who made the proposal. In the remaining three columns you see which amount each player gets in this proposal. Players not included in the proposed group are marked with "—".

# Coalitions

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## Accepting proposals

During the five minutes of discussion and bargaining **you can change which proposal you currently accept any number of times. At the end of the five minutes, everyone's currently accepted proposal becomes final.**

## Group formation

After the five minutes of discussion and bargaining, the final outcome and the payoffs of this round are determined as follows:

- **Only if all players in a proposed group agree on the same proposal ID is that proposal successful.**
- **Note that players who are not included in a proposal (marked as "—") do not have to agree to it for it to be successful.**

The group is then successfully formed and its members' payoffs are determined by the agreed-upon proposal. All other players get 0. **If there is no such agreement, all three players get 0.**

Note that because Player A has to be included for a group to receive a budget, there will be one group at most.