

Experimental Design and Instructions

Introduction - How matrix games work

We'll give a short introduction on how the games -called Matrix games- are played: Matrix games describe two person (Player 1 & Player 2) decision situations.

Example:

| | | Player 2 | |
|----------|---|----------|--------|
| | | A | B |
| Player 1 | A | (2, 2) | (0, 3) |
| | B | (3, 0) | (1, 1) |

In this example, the possible strategies for each player are named A & B and each player can pick one of these two strategies

The corresponding payoffs are given in the brackets. The first number is the payoff for player 1 and the second number is the payoff for player 2. So for example, (5, 2) denotes a payoff of 5 for player 1 and 2 for player 2.

Therefore, the final payoff depends not only on the own individual decision, it is also based on the decision of the other player. But player 1 and 2 choose their strategies without knowing the decision of the other player.

Example: If player 1 chooses strategy A, and player 2 strategy B, we find this situation:

| | | Player 2 | |
|----------|---|----------|--------|
| | | A | B |
| Player 1 | A | (2, 2) | (0, 3) |
| | B | (3, 0) | (1, 1) |

The payoff for player 1 is 0 and for player 2 it is 3.

You will play against another human player, who will be chosen randomly in the beginning, but will remain the same for all subsequent rounds.

Round 1 of 70

Explanation:

Framed Treatment

You are a student in an exam situation.

You can decide in each round whether "to cheat" or "not to cheat" on the examiner. You will be matched with a second player (the examiner) in each round, who can decide to "control" or "not control" you.

The payoffs for all four possible game outcomes are shown in the matrix.

Example: If you choose "Don't Cheat" and the other player chooses "Control", you will receive 10 experiential units and the other player 11 experimental units.

You receive the highest possible payoff of 16 experimental units if you chose "Cheat" and the other player chose "Don't Control".

You receive the lowest possible payoff of 2 experimental units if you chose "Cheat" and the other player chose "Control".

Choose one of the two strategies! Your opponent has already made a strategic choice.

Your choice for this round:

| | | Examiner | |
|---------------|-------------|----------|----------|
| | | A | B |
| Student (you) | Cheat | (2, 12) | (16, 3) |
| | Don't Cheat | (10, 11) | (14, 14) |

Round 1 of 70

Your choice for this round:

Unframed Treatment

| | | Player 2 | |
|----------|---|----------|----------|
| | | A | B |
| Player 1 | A | (2, 12) | (16, 3) |
| | B | (10, 11) | (14, 14) |