Experimental Instruction for Participants of Experiment 2

You are now taking part in an economics experiment. If you read the following instructions carefully, depending on your decisions, you can earn some more money in addition to the 10 Yuan, which is a show-up fee and you can keep in any case. It is therefore very important that you read these instructions with care.

The instructions which we have distributed to you are solely for your private information. You are not allowed to communicate during the experiment. Violation of this rule will lead to your exclusion from the experiment and all payments. If you have questions, please raise your hand. A member of the experimenter team will come to you and answer them in private.

During the experiment, we shall not speak of Chinese Yuan but rather of MU (Monetary Units). Your entire earnings of the experiment will be calculated in MU. At the end of the experiment, the total amount of MU you have earned will be converted to Chinese Yuan at the following rate:

100 MU = 15 Yuan

At the end of the experiment, your entire earnings from the experiment will be immediately paid to you.

We describe the experimental process below.

<u>The decision situation</u>

You will learn how the experiment will be conducted later. We first introduce you to the basic decision situation. You will find control questions at the end of the description of the decision situation that helps you to understand the decision situation.

You will be in a group consisting of 4 people. Each group member has to decide on the allocation of 20 MU. You can put these 20 MU into your private account or you can invest them fully or partially into a group project. Each MU you do not invest into the project will automatically remain in your private account.

<u>Your income from the private account:</u>

You will earn one MU for each MU you put into your private account.

For example, if you put 20 MU into your private account (and therefore do not invest into the project), your income will amount to exactly 20 MU out of your private account. If you put 6 MU into your private account, your income from this account will be 6 MU. No one except you earns something from your private account.

<u>Your income from the project:</u>

Each group member will profit equally from the amount you invest into the project. On the other hand, you will also get a payoff from the other group members' investments. The income for each group member will be determined as follows:

Income from the project = sum of all contributions × 0.4

If, for example, the sum of all contributions to the project is 60 MU, then you and the other members of your group each earn $60 \times 0.4 = 24$ MU out of the project. If four members of the group contribute a total of 10 MU to the project, you and the other members of your group each earn $10 \times 0.4 = 4$ MU out of the project.

<u>Total income:</u>

Your total income is the sum of your income from your private account and that from the project:

<u>Total income=Income from your private account</u> (=20 – contribution to the project) *+ Income from the project* (= 0.4 × sum of all contributions to the project)

<u>Control questions:</u>

Please answer the following control questions. They will help you to gain an understanding of the calculation of your income, which varies with your decision about how you distribute your 20 MU.

Please answer all the questions and write down your calculations (in MU).

(1) Question 1: Each group member has an endowment of 20 MU. Nobody (including yourself) contributes any MU to the project.

What is your total income? _____

What is the total income of each of the other group members?

(2) Question 2: Each group member has an endowment of 20 MU. You invest 20 MU in the project. Each of the other three members of the group also contributes 20 MU to the project.

What is your total income? _____

What is the total income of each of the other group members? _____

(3) Question 3: Each group member has an endowment of 20 MU. The other three group members contribute a total of 30 MU to the project.

What is your total income, if you -in addition to the 30 MU- invest 0 MU into the project? _____

What is your total income, if you -in addition to the 30 MU- invest 10 MU into the project? _____

What is your total income, if you -in addition to the 30 MU- invest 15 MU into the project? _____

(4) Question 4: Each group member has an endowment of 20 MU. Assume that you invest 8 MU to the project.

What is your total income, if the other group members together -in addition to your 8 MU- contribute another 7 MU in total to the project? _____

What is your total income, if the other group members together -in addition to your 8 MU- contribute another 12 MU in total to the project? _____

What is your total income, if the other group members together -in addition to your 8 MU- contribute another 22MU in total to the project? _____

Screenshots of Experiment 2

Experiment instruction

You are now taking part in an economics experiment.
If you read the following instructions carefully, depending on your decisions, you can earn some more money.

Decisions are anonymous. Please make your decisions carefully.
At the end of the experiment the total amount of MU you have earned will be converted to Chinese Yuan at the rate of 100 MU=15 RMB,
and the experimenter will pay you immediately.

Experimental framework

You will be in a group consisting of 4 people.
Each group member has to decide on the allocation of 20 MU.
You can put these 20 MU into your private account or you can invest them fully or partially into a project.

Total income for each member=Income from one's private account (=20-contribution to the project)
+ Income from the project
Income from the project (= 0.4 × sum of all contributions to the project)

For example, if the sum of all contributions to the project is 60 MU,
then you and the other members of your group each earn 60 × 0.4 = 24 MU out of the project.
If four members of the group contribute a total of 10 MU to the project,
you and the other members of your group each earn 10 × 0.4 = 4 MU out of the project.

Please input you ID

Next

Before you begin, you are going to play this game in a special case.
In this special case, you will be in a group of just you and the COMPUTER.
The game will be the same as described in the instructions but instead of 3 other people.

The computer will pick the decisions of the other 3 players.
The computer will pick their decisions randomly and separately (so each computer player will make its own random decision).

Your task is to indicate how many MU you want to contribute to the project for each possible average contribution of the other group members.

You will now play this special case for only one round.
After playing this special case, you will go on to play in groups of 4 real people as described in the instructions.

All your decisions are anonymous.

You are the only real person in the group, and only you will receive any money.
Your income will be determined in the same way as explained in the instructions.
Your contribution schedule here will have no future consequences after this one round of decision making with the computer.

I understand

Please give your contribution in the public project in each case where the average contribution in the project is known for the three computers.
Based on your decision, the experimenter will randomly select one situation to calculate your payoff.

（1） computer players contribute, on average, 0 MU, your contribution:

（2） computer players contribute, on average, 1 MU, your contribution:

（3） computer players contribute, on average, 2 MU, your contribution:

（4） computer players contribute, on average, 3 MU, your contribution:

（5） computer players contribute, on average, 4 MU, your contribution:

（6） computer players contribute, on average, 5 MU, your contribution:

（7） computer players contribute, on average, 6 MU, your contribution:

（8） computer players contribute, on average, 7 MU, your contribution:

（9） computer players contribute, on average, 8 MU, your contribution:

（10） computer players contribute, on average, 9 MU, your contribution:

（11） computer players contribute, on average, 10 MU, your contribution:

（12） computer players contribute, on average, 11 MU, your contribution:

（13） computer players contribute, on average, 12 MU, your contribution:

（14） computer players contribute, on average, 13 MU, your contribution:

（15） computer players contribute, on average, 14 MU, your contribution:

（16） computer players contribute, on average, 15 MU, your contribution:

（17） computer players contribute, on average, 16 MU, your contribution:

（18） computer players contribute, on average, 17 MU, your contribution:

（19） computer players contribute, on average, 18 MU, your contribution:

（20） computer players contribute, on average, 19 MU, your contribution:

（21） computer players contribute, on average, 20 MU, your contribution:

Next

Computer 1 randomly picked 5 MU.
Computer 2 randomly picked 19 MU.
Computer 3 randomly picked 12 MU.

Therefore the average computer contribution was 12 MU.

Your conditional contribution was: 2.0

Your profits has been calculated.

Next

Again, you are going to again play the computer and the same game.
The computer will pick the decisions of the other 3 players.
This time you will only make one decision rather than a schedule of contributions.
Your task is to indicate how many MU you want to contribute to the project without knowing what the other group members' contributions will be.

You will now play this special case for only one round.

I understand

Your contribution to the project:

What you think the average contribution of the 3 other computer players in your group will
be? (Your guess will not affect your earnings in any way.)

Next

Computer 1 randomly picked 15 MU.
Computer 2 randomly picked 7 MU.
Computer 3 randomly picked 17 MU.

Therefore the average computer contribution was 13 MU.
Your contribution was: 1.0

Your profits has been calculated.

Next

You will now continue to play in a group of 4 people as described in the instructions.

You will play in the same group, with the same 3 other people, for 6 rounds of decision making.

You will not receive any information about the decisions of the other players nor about your earnings in these rounds,
nor will anyone else at any time except for the experimenter after the experiment.

However, the decisions are again for real money, and your earnings will be calculated for each round.
These earnings will be paid to you at the end of the experiment.

You are definitely playing with real people now and not the computer.

I understand

Round 1

（1）Your contribution to the project:

（2）What you think the average contribution of the 3 other players in your group will be? (Your guess will not affect your earnings in any way.)

Submit

Round 2

（1）Your contribution to the project:

（2）What you think the average contribution of the 3 other players in your group will be? (Your guess will not affect your earnings in any way.)

Submit

Round 3

（1）Your contribution to the project:

（2）What you think the average contribution of the 3 other players in your group will be? (Your guess will not affect your earnings in any way.)

Submit

Round 4

（1）Your contribution to the project:

（2）What you think the average contribution of the 3 other players in your group will be? (Your guess will not affect your earnings in any way.)

Submit

Round 5

（1）Your contribution to the project:

（2）What you think the average contribution of the 3 other players in your group will be? (Your guess will not affect your earnings in any way.)

Submit

Round 6

（1）Your contribution to the project:

（2）What you think the average contribution of the 3 other players in your group will be? (Your guess will not affect your earnings in any way.)

Submit

Please answer the following questions

In the game, if a player wants to maximize his or her earnings in any one particular round, does the amount they should contribute depend on what the other people in their group contribute?

○ Yes   ○ Sometimes   ○ No   ○ Unsure

Next

What was your most important motivation in the games with real people?

○ Making myself the maximum money possible.   ○ Making other people the maximum money possible.   ○ Making everyone the maximum money possible.   ○ Making the group the maximum money possible.   ○ Making myself more money than other people.   ○ Other.

Next

In a one-shot game, given that the amount contributed to the project by the other three group members in your group is 10 MU, if you want to maximize your own benefit, how much should you contribute to the project (of course, your actual contribution may be different)?

In a one-shot game, given that the amount contributed to the project by the other three group members in your group is 30 MU, if you want to maximize your own benefit, how much should you contribute to the project (of course, your actual contribution may be different)?

In a one-shot game, given that the amount contributed to the project by the other three group members in your group is 60 MU, if you want to maximize your own benefit, how much should you contribute to the project (of course, your actual contribution may be different)?

Next

Please answer the following questions

Your gender   ○ Male   ○ Female

Your age

Your major   ○ Humanities and social science   ○ Science   ○ Engineering   ○ Medicine   ○ Agriculture
    ○ Economics and Management   ○ Others

Your per capita monthly household income   ○ Less than 1000RMB   ○ 1000-3000RMB   ○ 3000-5000RMB   ○ More than 5000RMB

Your average monthly expenses   ○ Less than 1000RMB   ○ 1000-3000RMB   ○ 3000-5000RMB   ○ More than 5000RMB

Submit