For online publication

Appendix II: Experimental Instructions

A Meeting of the Minds:
Informal Agreements and Social Norms

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November 4, 2015

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1. Main instructions for the Double Dictator Game with agreement or no agreement

1.1 Double Dictator Game without agreement

[SCREEN 1]

Experiment Instructions

This is a study in decision making. For your participation, you will be paid a participation fee of $10. You may receive some additional money based on your choices and the choice of others during the experiment.

If you have any questions during the study, please raise your hand and wait for an experimenter to come to you. Please do not talk or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment and may not be paid.

[SCREEN 2]

On the following screens, you will read descriptions of a series of situations. These descriptions correspond to situations in which one person, "individual A", must make a decision. For each situation, you will be given a description of the decision faced by Individual A. The description will include several possible choices available to individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." By socially appropriate, we mean behavior that most people agree is the "proper" thing to do and most people expect that person A ought to do it. Another way to think about what we mean is that if individual A were to select a socially inappropriate choice, then someone else might be angry at individual A for doing so.

Based on your responses you will be able to earn money today. Specifically, we are going to ask you to consider each situation, look at the possible actions, and give evaluations of the actions while MATCHING your responses to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today because we are going to randomly select one situation and one of the possible choices that individual A could make. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

In each of your responses we would like you to answer as truthfully as possible, based on your opinions of what most people here in the room believe constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example and show you how you will indicate your responses. On the next screen you will see an example situation.

[SCREEN 3]

Example Situation (1 of 3)

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, very socially appropriate. You will rate each action on social appropriateness. To rate an action, you would 'click' on the radial for that action.

[coffee_empty.jpg]

[SCREEN 4]

Example Situation (2 of 3)

If this were one of the situations for this study, you would consider each of the possible choices below and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect that individual A ought to do.

For example, suppose you believe that most people think that taking the wallet is "very socially inappropriate", asking others nearby if the wallet belongs to them is "somewhat socially appropriate", leaving the wallet is "somewhat socially inappropriate" and giving the wallet to the shop manager is "very socially appropriate". Then you would have rated the actions in the following way:

[coffee_filled.jpg]

[SCREEN 5]

Example Situation (3 of 3)

In addition to trying to match your responses on the rating task to those of another person here in the room today, we are going to ask you to state how sure you are that your rating is the same as the rating given by most other people here today. Specifically, after each time that you rate an action, you will be asked to 'click' a radial to indicate how sure you are about whether your response matches the most common response in the room.

[coffee_filled_sureness.jpg]

[SCREEN 6]

At the end of the experiment today, one situation will be randomly selected. For this situation, we will also randomly select one of the possible choices that Individual A could have made. Thus, we

will select both a situation and one possible action choice at random. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched. To be specific:

You will earn $15 if your choice matches exactly the choice of who is matched with you.

For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category.

For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories.

For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

This amount will be paid to you, in cash, at the conclusion of the experiment.

[SCREEN 7: Quiz]

You will earn $15 if your choice matches exactly the choice of who is matched with you. For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category. For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories. For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

The order of appropriateness is:

Very socially inappropriate

Socially inappropriate

Somewhat socially inappropriate

Somewhat socially appropriate

Socially appropriate

Very socially appropriate

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Enter your answers WITHOUT a dollar sign ($).

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is "Very socially appropriate", your earning is:

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is Socially inappropriate", your earning is:

For the action selected for payment, if your rating is "Somewhat socially inappropriate" and the rating of the person who is randomly matched with you is "Socially appropriate", your earning is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 8]

The experiment will now begin. Before we begin, please raise your hand if you have any questions.

[SCREEN 9]

Situation 1

Individual A and Individual B are randomly paired with each other. This means that A and B do not know each other and will never find out who the other person is.

A and B each starts with 20 tokens.

A must choose an action. B will also be choosing an action at the same time. The action that A and B choose will determine their earnings. A must decide to transfer between 0 and 10 tokens to B as long as the transfer is a whole number from 0 to 10. B must also decide to transfer between 0 and 10 tokens to A as long as the transfer is a whole number from 0 to 10.

But, A must decide on his action without knowing what B has decided to do. Similarly, B must decide on his action without knowing what A has decided to do.

A and B were told that their payoffs would be calculated in the following way:

[ddg_instruction1.jpg]

[SCREEN 10]

In addition, A worked through these examples so that A could understand how his decision and that of B were going to determine his final payment.

[ddg_example.jpg]

[SCREEN 11: Quiz]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Payoff for A is 20 - 2A +6B.

Payoff for B is 20 - 2B +6A.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Suppose A chooses action 2 (A=2) and B chooses action 10 (B=10).

A's payoff is:

B's payoff is:

Suppose A chooses action 4 (A=4) and B chooses action 0 (B=0).

A's payoff is:

B's payoff is:

Suppose A chooses action 6 (A=6) and B chooses action 5 (B=5).

A's payoff is:

B's payoff is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 12]

There is one other thing that you need to know before you begin rating the appropriateness of A's actions: Beyond these basic instructions, A and B were not given the opportunity to make any kind of agreement about what action they were each going to take.

So, to recap the decision faced by A:

Individual A and Individual B are randomly paired with each other.

A and B each start with 20 tokens.

A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings.

A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is a whole number from 0 to 10.

If A increases his action by 1, it decreases his payoff by 2 and increases B's payoff by 6.

A and B were unable to communicate with each other prior to making their decision.

[SCREEN 13: Norm Rating I]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 14 :Guess]

In previous experiments, different participants played exactly the same game that is described in scenario 1. In a moment we will show you what several actual subjects choose to do in this situation. Before we show you what other subjects choose to do, we would like you to make a

guess as to what percentage of people choose to transfer all 10 tokens, what percentage of people choose to transfer 0 tokens and what the most common token amount transferred was. For each guess that you make, your payment will be based on the following rule:

You will earn $1.50 if your choice matches exactly the actual value. For example, if you choose "Less than 10%" and the actual value is 5%, you will get $1.50.

You will earn $1.10 if your choice and the actual value differ by one category. For example, if you choose "At least 10% but less than 20%" and the actual value is 5%, you will get $1.10.

You will earn $0.70 if your choice and the actual value differ by two categories.

You will earn $0.30 if your choice and the actual value differ by three categories.

You will earn -$0.10 if your choice and the actual value differ by four categories.

You will earn -$0.50 if your choice and the actual value differ by five categories.

Your guess of the percent of subjects who chose to transfer all 10 tokens:

Your guess of the percent of subjects who chose to transfer 0 tokens:

Your guess of the most common token amount transferred:

[SCREEN 15: Observation]

In previous experiments, different participants faced exactly the decision described in scenario 1. These participants actually made a choice about how many tokens to transfer. Using all the transfer decisions made in the previous experiment, we drew 5 decisions to show each of you. Below are the 5 actual token transfer decisions that were drawn by the computer for you. Because the computer is drawing these observations randomly, it is very unlikely that anyone will see exactly the same observations as you.

Here are the token transfers of five randomly drawn subjects that played the game in a previous experiment:

[SCREEN 16]

Now that you have seen what 5 people chose to transfer, we would like you to rate how acceptable the transfer actions are again. That is, just as before, you are going to read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." Just as before you will be able to earn money based on your responses by giving evaluations of the actions that MATCH to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today. Recall that at the end, for the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

Keep in mind that while everyone here in the room today saw 5 randomly drawn observations, they all saw 5 DIFFERENT observations.

[SCREEN 17: Norm Rating 2]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 18-1]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

For this decision task there are two possible options which yield different monetary payments for you and your counterpart. One of the payments will be paid to you and the other will be paid to your counterpart. The table below shows the two payment options.

Because you can see this table you can tell what the total amount involved is, and how it can be allocated. Your counterpart does not get a copy of the table, and will never be told the sums of money associated with each option or the total amount of money at stake.

However, your counterpart will pick the payment option which determines the amount each of you will receive.

The two payment options are:

[lying_payoff.gif]

The only action you can take is to send a message to your counterpart.

Your choice is to decide which of these two specific messages to send to your counterpart.

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

No other messages are possible.

[SCREEN 18-2]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

However, the counterpart does not get to pick the option. The only action your counterpart could take was to send you a message. You will see the message, but you will never be told the amounts associated with each option or the total amount of money at stake.

Your choice will determine the payments that you and your counterpart receive for this part of the study. The researchers will pay the two of you according to the choice made by you.

Your counterpart chose from two different messages to send to you. The only two possible messages your counterpart could send to you were:

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

[SCREEN 19-1]

Below is the table with the options and associated payouts for you and your counterpart.

Please check the box next to the message you wish to send to your counterpart.

Please indicate whether you believe that the person who reads your message will follow your advice or will disregard your advice.

[SCREEN 19-2]

You just got the following message from your counterpart:

INDICATE YOUR CHOICE HERE:

[SCREEN 20-1]

For this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $12 and the other player has $0. You can increase the other player's earnings by $6 if you pay a price $P.

$P will be randomly drawn between 0 and 6. You have to decide whether you are willing to pay $P for the other player to receive $6. You will be asked to state what the highest $P is that you are willing to pay.

Please note that your decision will not affect what the random price is, it will only determine whether you choose to pay that price.

For example:

If you decide that you are willing to pay up to $3 for the other player to receive $6,

And if the computer selects a price $P less or equal to $3, then your earnings would be $12-$P and your partner will receives $0 + $6.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most you would be willing to pay to give the other person $6), then you will get $11 and the other player will get $6.

But, if the computer selects a price $P greater than $3 then your earnings are $12 and the other player receives $0.

So if the computer chose a price of $5 (which is greater than the $3 that you said would be the most that you would be willing to pay to give the other person $6), then you will get $12 and the other player will get $0.

Now please indicate a number between $0 and $6 that you are willing to pay to give the other person $6:

In order for the other player to receive $6, I would be willing to pay any dollar amount (between $0 and $6) up to:

[SCREEN 20-2]

In this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $0 and the other player has $12. The other player can increase your earnings by $6 if he pays some price $P.

The $P that he will pay be randomly drawn between $0 and $6. He has to decide whether he is willing to pay $P for you to receive $6. We asked him what the most is that he is willing to pay so that you receive $6.

Please note that his decision will not affect what the random price is, it will only determine whether he chooses to pay that price.

For example:

If he decides that he is willing to pay up to $3 for you to receive $6.

And if the computer selects a price $P less or equal to $3, then your earnings will be $0 + $6 and the other player's earnings will be $12-$P.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most the other person would be willing to pay to give you $6), then you will get $6 and the other player will get $11.

But if the computer selects a price $P greater than $3 then your earnings will be $0 and the other player's earnings will be $12.

So if the computer chose a price of $5 (which is greater than the $3 that he said would be the most he would be willing to pay to give you $6), then you will get $0 and the other player will get $12.

[SCREEN 21]

You were willing to pay ($):

The computer chose a price of ($):

You received a payoff of ($):

Helping Game Results (2)

The computer chose a price of ($):

You received a payoff of ($):

1.2 Double Dictator Game with agreement on ‘action 10’

[SCREEN 1]

Experiment Instructions

This is a study in decision making. For your participation, you will be paid a participation fee of $10. You may receive some additional money based on your choices and the choice of others during the experiment.

If you have any questions during the study, please raise your hand and wait for an experimenter to come to you. Please do not talk or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment and may not be paid.

[SCREEN 2]

On the following screens, you will read descriptions of a series of situations. These descriptions correspond to situations in which one person, "individual A", must make a decision. For each situation, you will be given a description of the decision faced by Individual A. The description will include several possible choices available to individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." By socially appropriate, we mean behavior that most people agree is the "proper" thing to do and most people expect that person A ought to do it. Another way to think about what we mean is that if individual A were to select a socially inappropriate choice, then someone else might be angry at individual A for doing so.

Based on your responses you will be able to earn money today. Specifically, we are going to ask you to consider each situation, look at the possible actions, and give evaluations of the actions while MATCHING your responses to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today because we are going to randomly select one situation and one of the possible choices that individual A could make. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

In each of your responses we would like you to answer as truthfully as possible, based on your opinions of what most people here in the room believe constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example and show you how you will indicate your responses. On the next screen you will see an example situation.

[SCREEN 3]

Example Situation (1 of 3)

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, very socially appropriate. You will rate each action on social appropriateness. To rate an action, you would 'click' on the radial for that action.

[coffee_empty.jpg]

[SCREEN 4]

Example Situation (2 of 3)

If this were one of the situations for this study, you would consider each of the possible choices below and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect that individual A ought to do.

For example, suppose you believe that most people think that taking the wallet is "very socially inappropriate", asking others nearby if the wallet belongs to them is "somewhat socially appropriate", leaving the wallet is "somewhat socially inappropriate" and giving the wallet to the shop manager is "very socially appropriate". Then you would have rated the actions in the following way:

[coffee_filled.jpg]

[SCREEN 5]

Example Situation (3 of 3)

In addition to trying to match your responses on the rating task to those of another person here in the room today, we are going to ask you to state how sure you are that your rating is the same as the rating given by most other people here today. Specifically, after each time that you rate an action, you will be asked to 'click' a radial to indicate how sure you are about whether your response matches the most common response in the room.

[coffee_filled_sureness.jpg]

[SCREEN 6]

At the end of the experiment today, one situation will be randomly selected. For this situation, we will also randomly select one of the possible choices that Individual A could have made. Thus, we will select both a situation and one possible action choice at random. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity

between your appropriateness rating and that of the other randomly selected person to which you are matched. To be specific:

You will earn $15 if your choice matches exactly the choice of who is matched with you.

For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category.

For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories.

For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

This amount will be paid to you, in cash, at the conclusion of the experiment.

[SCREEN 7: Quiz]

You will earn $15 if your choice matches exactly the choice of who is matched with you. For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category. For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories. For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

The order of appropriateness is:

Very socially inappropriate

Socially inappropriate

Somewhat socially inappropriate

Somewhat socially appropriate

Socially appropriate

Very socially appropriate

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Enter your answers WITHOUT a dollar sign ($).

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is "Very socially appropriate", your earning is:

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is Socially inappropriate", your earning is:

For the action selected for payment, if your rating is "Somewhat socially inappropriate" and the rating of the person who is randomly matched with you is "Socially appropriate", your earning is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 8]

The experiment will now begin. Before we begin, please raise your hand if you have any questions.

[SCREEN 9]

Situation 1

Individual A and Individual B are randomly paired with each other. This means that A and B do not know each other and will never find out who the other person is.

A and B each starts with 20 tokens.

A must choose an action. B will also be choosing an action at the same time. The action that A and B choose will determine their earnings. A must decide to transfer between 0 and 10 tokens to B as long as the transfer is a whole number from 0 to 10. B must also decide to transfer between 0 and 10 tokens to A as long as the transfer is a whole number from 0 to 10.

But, A must decide on his action without knowing what B has decided to do. Similarly, B must decide on his action without knowing what A has decided to do.

A and B were told that their payoffs would be calculated in the following way:

[ddg_instruction1.jpg]

[SCREEN 10]

In addition, A worked through these examples so that A could understand how his decision and that of B were going to determine his final payment.

[ddg_example.jpg]

[SCREEN 11: Quiz]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Payoff for A is 20 - 2A +6B.

Payoff for B is 20 - 2B +6A.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Suppose A chooses action 2 (A=2) and B chooses action 10 (B=10).

A's payoff is:

B's payoff is:

Suppose A chooses action 4 (A=4) and B chooses action 0 (B=0).

A's payoff is:

B's payoff is:

Suppose A chooses action 6 (A=6) and B chooses action 5 (B=5).

A's payoff is:

B's payoff is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 12]

There is one other thing that you need to know before you begin rating the appropriateness of A's actions: A and B were also given the opportunity to make an agreement about what action they were each going to take.

To be specific, they were given the following instruction:

[ddg_instruction2.jpg]

[SCREEN 13]

So, to recap the decision faced by A:

Individual A and Individual B are randomly paired with each other.

A and B each start with 20 tokens.

A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings.

A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is a whole number from 0 to 10.

A and B agreed with each other about taking action 10 before making their decision.

[SCREEN 14: Norm Rating I]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 15 :Guess]

In previous experiments, different participants played exactly the same game that is described in scenario 1. In a moment we will show you what several actual subjects choose to do in this situation. Before we show you what other subjects choose to do, we would like you to make a guess as to what percentage of people choose to transfer all 10 tokens, what percentage of people choose to transfer 0 tokens and what the most common token amount transferred was. For each guess that you make, your payment will be based on the following rule:

You will earn $1.50 if your choice matches exactly the actual value. For example, if you choose "Less than 10%" and the actual value is 5%, you will get $1.50.

You will earn $1.10 if your choice and the actual value differ by one category. For example, if you choose "At least 10% but less than 20%" and the actual value is 5%, you will get $1.10.

You will earn $0.70 if your choice and the actual value differ by two categories.

You will earn $0.30 if your choice and the actual value differ by three categories.

You will earn -$0.10 if your choice and the actual value differ by four categories.

You will earn -$0.50 if your choice and the actual value differ by five categories.

Your guess of the percent of subjects who chose to transfer all 10 tokens:

Your guess of the percent of subjects who chose to transfer 0 tokens:

Your guess of the most common token amount transferred:

[SCREEN 16: Observation]

In previous experiments, different participants faced exactly the decision described in scenario 1. These participants actually made a choice about how many tokens to transfer. Using all the transfer decisions made in the previous experiment, we drew 5 decisions to show each of you. Below are the 5 actual token transfer decisions that were drawn by the computer for you. Because the computer is drawing these observations randomly, it is very unlikely that anyone will see exactly the same observations as you.

Here are the token transfers of five randomly drawn subjects that played the game in a previous experiment:

[SCREEN 17]

Now that you have seen what 5 people chose to transfer, we would like you to rate how acceptable the transfer actions are again. That is, just as before, you are going to read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." Just as before you will be able to earn money based on your responses by giving evaluations of the actions that MATCH to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today. Recall that at the end, for the choice

selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

Keep in mind that while everyone here in the room today saw 5 randomly drawn observations, they all saw 5 DIFFERENT observations.

[SCREEN 18: Norm Rating 2]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 19-1]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

For this decision task there are two possible options which yield different monetary payments for you and your counterpart. One of the payments will be paid to you and the other will be paid to your counterpart. The table below shows the two payment options.

Because you can see this table you can tell what the total amount involved is, and how it can be allocated. Your counterpart does not get a copy of the table, and will never be told the sums of money associated with each option or the total amount of money at stake.

However, your counterpart will pick the payment option which determines the amount each of you will receive.

The two payment options are:

[lying_payoff.gif]

The only action you can take is to send a message to your counterpart.

Your choice is to decide which of these two specific messages to send to your counterpart.

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

No other messages are possible.

[SCREEN 19-2]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

However, the counterpart does not get to pick the option. The only action your counterpart could take was to send you a message. You will see the message, but you will never be told the amounts associated with each option or the total amount of money at stake.

Your choice will determine the payments that you and your counterpart receive for this part of the study. The researchers will pay the two of you according to the choice made by you.

Your counterpart chose from two different messages to send to you. The only two possible messages your counterpart could send to you were:

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

[SCREEN 20-1]

Below is the table with the options and associated payouts for you and your counterpart.

Please check the box next to the message you wish to send to your counterpart.

Please indicate whether you believe that the person who reads your message will follow your advice or will disregard your advice.

[SCREEN 20-2]

You just got the following message from your counterpart:

INDICATE YOUR CHOICE HERE:

[SCREEN 21-1]

For this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $12 and the other player has $0. You can increase the other player's earnings by $6 if you pay a price $P.

$P will be randomly drawn between 0 and 6. You have to decide whether you are willing to pay $P for the other player to receive $6. You will be asked to state what the highest $P is that you are willing to pay.

Please note that your decision will not affect what the random price is, it will only determine whether you choose to pay that price.

For example:

If you decide that you are willing to pay up to $3 for the other player to receive $6,

And if the computer selects a price $P less or equal to $3, then your earnings would be $12-$P and your partner will receives $0 + $6.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most you would be willing to pay to give the other person $6), then you will get $11 and the other player will get $6.

But, if the computer selects a price $P greater than $3 then your earnings are $12 and the other player receives $0.

So if the computer chose a price of $5 (which is greater than the $3 that you said would be the most that you would be willing to pay to give the other person $6), then you will get $12 and the other player will get $0.

Now please indicate a number between $0 and $6 that you are willing to pay to give the other person $6:

In order for the other player to receive $6, I would be willing to pay any dollar amount (between $0 and $6) up to:

[SCREEN 21-2]

In this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $0 and the other player has $12. The other player can increase your earnings by $6 if he pays some price $P.

The $P that he will pay be randomly drawn between $0 and $6. He has to decide whether he is willing to pay $P for you to receive $6. We asked him what the most is that he is willing to pay so that you receive $6.

Please note that his decision will not affect what the random price is, it will only determine whether he chooses to pay that price.

For example:

If he decides that he is willing to pay up to $3 for you to receive $6.

And if the computer selects a price $P less or equal to $3, then your earnings will be $0 + $6 and the other player's earnings will be $12-$P.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most the other person would be willing to pay to give you $6), then you will get $6 and the other player will get $11.

But if the computer selects a price $P greater than $3 then your earnings will be $0 and the other player's earnings will be $12.

So if the computer chose a price of $5 (which is greater than the $3 that he said would be the most he would be willing to pay to give you $6), then you will get $0 and the other player will get $12.

[SCREEN 22]

You were willing to pay ($):

The computer chose a price of ($):

You received a payoff of ($):

Helping Game Results (2)

The computer chose a price of ($):

You received a payoff of ($):

2. Main instructions for the Bertrand Game with agreement or no agreement

2.1 Bertrand Game without agreement

[SCREEN 1]

Experiment Instructions

This is a study in decision making. For your participation, you will be paid a participation fee of $10. You may receive some additional money based on your choices and the choice of others during the experiment.

If you have any questions during the study, please raise your hand and wait for an experimenter to come to you. Please do not talk or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment and may not be paid.

[SCREEN 2]

On the following screens, you will read descriptions of a series of situations. These descriptions correspond to situations in which one person, "individual A", must make a decision. For each situation, you will be given a description of the decision faced by Individual A. The description will include several possible choices available to individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." By socially appropriate, we mean behavior that most people agree is the "proper" thing to do and most people expect that person A ought to do it. Another way to think about what we mean is that if individual A were to select a socially inappropriate choice, then someone else might be angry at individual A for doing so.

Based on your responses you will be able to earn money today. Specifically, we are going to ask you to consider each situation, look at the possible actions, and give evaluations of the actions while MATCHING your responses to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today because we are going to randomly select one situation and one of the possible choices that individual A could make. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

In each of your responses we would like you to answer as truthfully as possible, based on your opinions of what most people here in the room believe constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example and show you how you will indicate your responses. On the next screen you will see an example situation.

[SCREEN 3]

Example Situation (1 of 3)

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, very socially appropriate. You will rate each action on social appropriateness. To rate an action, you would 'click' on the radial for that action.

[coffee_empty.jpg]

[SCREEN 4]

Example Situation (2 of 3)

If this were one of the situations for this study, you would consider each of the possible choices below and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect that individual A ought to do.

For example, suppose you believe that most people think that taking the wallet is "very socially inappropriate", asking others nearby if the wallet belongs to them is "somewhat socially appropriate", leaving the wallet is "somewhat socially inappropriate" and giving the wallet to the shop manager is "very socially appropriate". Then you would have rated the actions in the following way:

[coffee_filled.jpg]

[SCREEN 5]

Example Situation (3 of 3)

In addition to trying to match your responses on the rating task to those of another person here in the room today, we are going to ask you to state how sure you are that your rating is the same as the rating given by most other people here today. Specifically, after each time that you rate an action, you will be asked to 'click' a radial to indicate how sure you are about whether your response matches the most common response in the room.

[coffee_filled_sureness.jpg]

[SCREEN 6]

At the end of the experiment today, one situation will be randomly selected. For this situation, we will also randomly select one of the possible choices that Individual A could have made. Thus, we

will select both a situation and one possible action choice at random. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched. To be specific:

You will earn $15 if your choice matches exactly the choice of who is matched with you.

For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category.

For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories.

For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

This amount will be paid to you, in cash, at the conclusion of the experiment.

[SCREEN 7: Quiz]

You will earn $15 if your choice matches exactly the choice of who is matched with you. For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category. For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories. For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

The order of appropriateness is:

Very socially inappropriate

Socially inappropriate

Somewhat socially inappropriate

Somewhat socially appropriate

Socially appropriate

Very socially appropriate

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Enter your answers WITHOUT a dollar sign ($).

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is "Very socially appropriate", your earning is:

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is Socially inappropriate", your earning is:

For the action selected for payment, if your rating is "Somewhat socially inappropriate" and the rating of the person who is randomly matched with you is "Socially appropriate", your earning is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 8]

The experiment will now begin. Before we begin, please raise your hand if you have any questions.

[SCREEN 9]

Situation 1

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

A was then told how his payment would be calculated.

[bg_example.jpg]

[SCREEN 10]

In addition, A worked through these examples so that A could understand how his decision and that of B were going to determine his final payment.

[bg_instruction1.jpg]

[SCREEN 11: Quiz]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose (A and B, respectively) will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental unitsPlease answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Suppose A chooses action 100 (A=100) and B chooses action 98 (B=98).

A's payoff is:

B's payoff is:

Suppose A chooses action 76 (A=76) and B chooses action 76 (B=76).

A's payoff is:

B's payoff is:

Suppose A chooses action 20 (A=20) and B chooses action 45 (B=45).

A's payoff is:

B's payoff is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 12]

There is one other thing that you need to know before you begin rating the appropriateness of A's actions: Beyond these basic instructions, A and B were not given the opportunity to make any kind of agreement about what action they were each going to take.

So, to recap the decision faced by A:

Individual A and Individual B are randomly paired with each other.

A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

A and B were unable to communicate with each other prior to making their decision.

[SCREEN 13: Norm Rating I]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental units

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 14 :Guess]

In previous experiments, different participants played exactly the same game that is described in scenario 1. In a moment we will show you what several actual subjects chose to do in this situation. Before we show you what other subjects chose to do, we would like you to make a guess as to what percentage of people choose to take action 100, 95, 5 or 0 respectively and what the most common action was. For each guess that you make, your payment will be based on the following rule:

You will earn $1.50 if your choice matches exactly the actual value. For example, if you choose "Less than 10%" and the actual value is 5%, you will get $1.50.

You will earn $1.10 if your choice and the actual value differ by one category. For example, if you choose "At least 10% but less than 20%" and the actual value is 5%, you will get $1.10.

You will earn $0.70 if your choice and the actual value differ by two categories.

You will earn $0.30 if your choice and the actual value differ by three categories.

You will earn -$0.10 if your choice and the actual value differ by four categories.

You will earn -$0.50 if your choice and the actual value differ by five categories.

Your guess of the percent of subject who took the action 100:

Your guess of the percent of subject who took at least the action 95:

Your guess of the percent of subject who took the action 5 or less:

Your guess of the percent of subject who took the action 0:

Your guess of the most common action taken:

[SCREEN 15: Observation]

In previous experiments, different participants faced exactly the decision described in scenario 1. These participants actually made a choice about how many tokens to transfer. Using all the transfer decisions made in the previous experiment, we drew 5 decisions to show each of you. Below are the 5 actual token transfer decisions that were drawn by the computer for you. Because the computer is drawing these observations randomly, it is very unlikely that anyone will see exactly the same observations as you.

Here are the token transfers of five randomly drawn subjects that played the game in a previous experiment:

[SCREEN 16]

Now that you have seen what 5 randomly drawn subjects did who actually played this game, we would like you to rate how acceptable the transfer actions are again. That is, just as before, you are going to read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." Just as before you will be able to earn money based on your responses by giving evaluations of the actions that MATCH to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today. Recall that at the end, for the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

Keep in mind that while everyone here in the room today saw 5 randomly drawn observations, they all saw 5 DIFFERENT observations.

[SCREEN 17: Norm Rating 2]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental units

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 18-1]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

For this decision task there are two possible options which yield different monetary payments for you and your counterpart. One of the payments will be paid to you and the other will be paid to your counterpart. The table below shows the two payment options.

Because you can see this table you can tell what the total amount involved is, and how it can be allocated. Your counterpart does not get a copy of the table, and will never be told the sums of money associated with each option or the total amount of money at stake.

However, your counterpart will pick the payment option which determines the amount each of you will receive.

The two payment options are:

[lying_payoff.gif]

The only action you can take is to send a message to your counterpart.

Your choice is to decide which of these two specific messages to send to your counterpart.

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

No other messages are possible.

[SCREEN 18-2]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

However, the counterpart does not get to pick the option. The only action your counterpart could take was to send you a message. You will see the message, but you will never be told the amounts associated with each option or the total amount of money at stake.

Your choice will determine the payments that you and your counterpart receive for this part of the study. The researchers will pay the two of you according to the choice made by you.

Your counterpart chose from two different messages to send to you. The only two possible messages your counterpart could send to you were:

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

[SCREEN 19-1]

Below is the table with the options and associated payouts for you and your counterpart.

Please check the box next to the message you wish to send to your counterpart.

Please indicate whether you believe that the person who reads your message will follow your advice or will disregard your advice.

[SCREEN 19-2]

You just got the following message from your counterpart:

INDICATE YOUR CHOICE HERE:

[SCREEN 20-1]

For this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $12 and the other player has $0. You can increase the other player's earnings by $6 if you pay a price $P.

$P will be randomly drawn between 0 and 6. You have to decide whether you are willing to pay $P for the other player to receive $6. You will be asked to state what the highest $P is that you are willing to pay.

Please note that your decision will not affect what the random price is, it will only determine whether you choose to pay that price.

For example:

If you decide that you are willing to pay up to $3 for the other player to receive $6,

And if the computer selects a price $P less or equal to $3, then your earnings would be $12-$P and your partner will receives $0 + $6.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most you would be willing to pay to give the other person $6), then you will get $11 and the other player will get $6.

But, if the computer selects a price $P greater than $3 then your earnings are $12 and the other player receives $0.

So if the computer chose a price of $5 (which is greater than the $3 that you said would be the most that you would be willing to pay to give the other person $6), then you will get $12 and the other player will get $0.

Now please indicate a number between $0 and $6 that you are willing to pay to give the other person $6:

In order for the other player to receive $6, I would be willing to pay any dollar amount (between $0 and $6) up to:

[SCREEN 20-2]

In this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $0 and the other player has $12. The other player can increase your earnings by $6 if he pays some price $P.

The $P that he will pay be randomly drawn between $0 and $6. He has to decide whether he is willing to pay $P for you to receive $6. We asked him what the most is that he is willing to pay so that you receive $6.

Please note that his decision will not affect what the random price is, it will only determine whether he chooses to pay that price.

For example:

If he decides that he is willing to pay up to $3 for you to receive $6.

And if the computer selects a price $P less or equal to $3, then your earnings will be $0 + $6 and the other player's earnings will be $12-$P.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most the other person would be willing to pay to give you $6), then you will get $6 and the other player will get $11.

But if the computer selects a price $P greater than $3 then your earnings will be $0 and the other player's earnings will be $12.

So if the computer chose a price of $5 (which is greater than the $3 that he said would be the most he would be willing to pay to give you $6), then you will get $0 and the other player will get $12.

[SCREEN 21]

You were willing to pay ($):

The computer chose a price of ($):

You received a payoff of ($):

Helping Game Results (2)

The computer chose a price of ($):

You received a payoff of ($):

2.2 Bertrand Game with agreement on 'action 100'

[SCREEN 1]

Experiment Instructions

This is a study in decision making. For your participation, you will be paid a participation fee of $10. You may receive some additional money based on your choices and the choice of others during the experiment.

If you have any questions during the study, please raise your hand and wait for an experimenter to come to you. Please do not talk or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment and may not be paid.

[SCREEN 2]

On the following screens, you will read descriptions of a series of situations. These descriptions correspond to situations in which one person, "individual A", must make a decision. For each situation, you will be given a description of the decision faced by Individual A. The description will include several possible choices available to individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." By socially appropriate, we mean behavior that most people agree is the "proper" thing to do and most people expect that person A ought to do it. Another way to think about what we mean is that if individual A were to select a socially inappropriate choice, then someone else might be angry at individual A for doing so.

Based on your responses you will be able to earn money today. Specifically, we are going to ask you to consider each situation, look at the possible actions, and give evaluations of the actions while MATCHING your responses to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today because we are going to randomly select one situation and one of the possible choices that individual A could make. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

In each of your responses we would like you to answer as truthfully as possible, based on your opinions of what most people here in the room believe constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example and show you how you will indicate your responses. On the next screen you will see an example situation.

[SCREEN 3]

Example Situation (1 of 3)

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, very socially appropriate. You will rate each action on social appropriateness. To rate an action, you would 'click' on the radial for that action.

[coffee_empty.jpg]

[SCREEN 4]

Example Situation (2 of 3)

If this were one of the situations for this study, you would consider each of the possible choices below and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect that individual A ought to do.

For example, suppose you believe that most people think that taking the wallet is "very socially inappropriate", asking others nearby if the wallet belongs to them is "somewhat socially appropriate", leaving the wallet is "somewhat socially inappropriate" and giving the wallet to the shop manager is "very socially appropriate". Then you would have rated the actions in the following way:

[coffee_filled.jpg]

[SCREEN 5]

Example Situation (3 of 3)

In addition to trying to match your responses on the rating task to those of another person here in the room today, we are going to ask you to state how sure you are that your rating is the same as the rating given by most other people here today. Specifically, after each time that you rate an action, you will be asked to 'click' a radial to indicate how sure you are about whether your response matches the most common response in the room.

[coffee_filled_sureness.jpg]

[SCREEN 6]

At the end of the experiment today, one situation will be randomly selected. For this situation, we will also randomly select one of the possible choices that Individual A could have made. Thus, we will select both a situation and one possible action choice at random. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity

between your appropriateness rating and that of the other randomly selected person to which you are matched. To be specific:

You will earn $15 if your choice matches exactly the choice of who is matched with you.

For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category.

For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories.

For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

This amount will be paid to you, in cash, at the conclusion of the experiment.

[SCREEN 7: Quiz]

You will earn $15 if your choice matches exactly the choice of who is matched with you. For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category. For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories. For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

The order of appropriateness is:

Very socially inappropriate

Socially inappropriate

Somewhat socially inappropriate

Somewhat socially appropriate

Socially appropriate

Very socially appropriate

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Enter your answers WITHOUT a dollar sign ($).

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is "Very socially appropriate", your earning is:

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is Socially inappropriate", your earning is:

For the action selected for payment, if your rating is "Somewhat socially inappropriate" and the rating of the person who is randomly matched with you is "Socially appropriate", your earning is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 8]

The experiment will now begin. Before we begin, please raise your hand if you have any questions.

[SCREEN 9]

Situation 1

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

A was then told how his payment would be calculated.

[bg_example.jpg]

[SCREEN 10]

In addition, A worked through these examples so that A could understand how his decision and that of B were going to determine his final payment.

[bg_instruction1.jpg]

[SCREEN 11: Quiz]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose (A and B, respectively) will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental unitsPlease answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Suppose A chooses action 100 (A=100) and B chooses action 98 (B=98).

A's payoff is:

B's payoff is:

Suppose A chooses action 76 (A=76) and B chooses action 76 (B=76).

A's payoff is:

B's payoff is:

Suppose A chooses action 20 (A=20) and B chooses action 45 (B=45).

A's payoff is:

B's payoff is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 12]

There is one other thing that you need to know before you begin rating the appropriateness of A's actions: A and B were also given the opportunity to make an agreement about what action they were each going to take.

To be specific, they were given the following instruction:

[bg_instruction2.jpg]

[SCREEN 13]

So, to recap the decision faced by A:

Individual A and Individual B are randomly paired with each other.

A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

A and B were able to communicate with each other prior to making their decision.

A and B agreed with each other on taking action 100 before making their decision.

[SCREEN 14: Norm Rating I]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental units

A and B agreed to take action 100.

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 15 :Guess]

In previous experiments, different participants played exactly the same game that is described in scenario 1. In a moment we will show you what several actual subjects chose to do in this situation. Before we show you what other subjects chose to do, we would like you to make a guess as to what percentage of people choose to take action 100, 95, 5 or 0 respectively and what the most common action was. For each guess that you make, your payment will be based on the following rule:

You will earn $1.50 if your choice matches exactly the actual value. For example, if you choose "Less than 10%" and the actual value is 5%, you will get $1.50.

You will earn $1.10 if your choice and the actual value differ by one category. For example, if you choose "At least 10% but less than 20%" and the actual value is 5%, you will get $1.10.

You will earn $0.70 if your choice and the actual value differ by two categories.

You will earn $0.30 if your choice and the actual value differ by three categories.

You will earn -$0.10 if your choice and the actual value differ by four categories.

You will earn -$0.50 if your choice and the actual value differ by five categories.

Your guess of the percent of subject who took the action 100:

Your guess of the percent of subject who took at least the action 95:

Your guess of the percent of subject who took the action 5 or less:

Your guess of the percent of subject who took the action 0:

Your guess of the most common action taken:

[SCREEN 16: Observation]

In previous experiments, different participants faced exactly the decision described in scenario 1. These participants actually made a choice about how many tokens to transfer. Using all the transfer decisions made in the previous experiment, we drew 5 decisions to show each of you. Below are the 5 actual token transfer decisions that were drawn by the computer for you. Because the computer is drawing these observations randomly, it is very unlikely that anyone will see exactly the same observations as you.

Here are the token transfers of five randomly drawn subjects that played the game in a previous experiment:

[SCREEN 17]

Now that you have seen what 5 randomly drawn subjects did who actually played this game, we would like you to rate how acceptable the transfer actions are again. That is, just as before, you are going to read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." Just as before you will be able to earn money based on your responses by giving evaluations of the actions that MATCH to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today. Recall that at the end, for the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

Keep in mind that while everyone here in the room today saw 5 randomly drawn observations, they all saw 5 DIFFERENT observations.

[SCREEN 18: Norm Rating 2]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental units

A and B agreed to take action 100.

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 19-1]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

For this decision task there are two possible options which yield different monetary payments for you and your counterpart. One of the payments will be paid to you and the other will be paid to your counterpart. The table below shows the two payment options.

Because you can see this table you can tell what the total amount involved is, and how it can be allocated. Your counterpart does not get a copy of the table, and will never be told the sums of money associated with each option or the total amount of money at stake.

However, your counterpart will pick the payment option which determines the amount each of you will receive.

The two payment options are:

[lying_payoff.gif]

The only action you can take is to send a message to your counterpart.

Your choice is to decide which of these two specific messages to send to your counterpart.

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

No other messages are possible.

[SCREEN 19-2]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

However, the counterpart does not get to pick the option. The only action your counterpart could take was to send you a message. You will see the message, but you will never be told the amounts associated with each option or the total amount of money at stake.

Your choice will determine the payments that you and your counterpart receive for this part of the study. The researchers will pay the two of you according to the choice made by you.

Your counterpart chose from two different messages to send to you. The only two possible messages your counterpart could send to you were:

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

[SCREEN 20-1]

Below is the table with the options and associated payouts for you and your counterpart.

Please check the box next to the message you wish to send to your counterpart.

Please indicate whether you believe that the person who reads your message will follow your advice or will disregard your advice.

[SCREEN 20-2]

You just got the following message from your counterpart:

INDICATE YOUR CHOICE HERE:

[SCREEN 21-1]

For this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $12 and the other player has $0. You can increase the other player's earnings by $6 if you pay a price $P.

$P will be randomly drawn between 0 and 6. You have to decide whether you are willing to pay $P for the other player to receive $6. You will be asked to state what the highest $P is that you are willing to pay.

Please note that your decision will not affect what the random price is, it will only determine whether you choose to pay that price.

For example:

If you decide that you are willing to pay up to $3 for the other player to receive $6,

And if the computer selects a price $P less or equal to $3, then your earnings would be $12-$P and your partner will receives $0 + $6.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most you would be willing to pay to give the other person $6), then you will get $11 and the other player will get $6.

But, if the computer selects a price $P greater than $3 then your earnings are $12 and the other player receives $0.

So if the computer chose a price of $5 (which is greater than the $3 that you said would be the most that you would be willing to pay to give the other person $6), then you will get $12 and the other player will get $0.

Now please indicate a number between $0 and $6 that you are willing to pay to give the other person $6:

In order for the other player to receive $6, I would be willing to pay any dollar amount (between $0 and $6) up to:

[SCREEN 21-2]

In this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $0 and the other player has $12. The other player can increase your earnings by $6 if he pays some price $P.

The $P that he will pay be randomly drawn between $0 and $6. He has to decide whether he is willing to pay $P for you to receive $6. We asked him what the most is that he is willing to pay so that you receive $6.

Please note that his decision will not affect what the random price is, it will only determine whether he chooses to pay that price.

For example:

If he decides that he is willing to pay up to $3 for you to receive $6.

And if the computer selects a price $P less or equal to $3, then your earnings will be $0 + $6 and the other player's earnings will be $12-$P.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most the other person would be willing to pay to give you $6), then you will get $6 and the other player will get $11.

But if the computer selects a price $P greater than $3 then your earnings will be $0 and the other player's earnings will be $12.

So if the computer chose a price of $5 (which is greater than the $3 that he said would be the most he would be willing to pay to give you $6), then you will get $0 and the other player will get $12.

[SCREEN 22]

You were willing to pay ($):

The computer chose a price of ($):

You received a payoff of ($):

Helping Game Results (2)

The computer chose a price of ($):

You received a payoff of ($):

3. Additional treatments on actions that are not Pareto efficient

3.1 Double Dictator Game with agreement on 'action 7'

[SCREEN 1]

Experiment Instructions

This is a study in decision making. For your participation, you will be paid a participation fee of $10. You may receive some additional money based on your choices and the choice of others during the experiment.

If you have any questions during the study, please raise your hand and wait for an experimenter to come to you. Please do not talk or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment and may not be paid.

[SCREEN 2]

On the following screens, you will read descriptions of a series of situations. These descriptions correspond to situations in which one person, "individual A", must make a decision. For each situation, you will be given a description of the decision faced by Individual A. The description will include several possible choices available to individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." By socially appropriate, we mean behavior that most people agree is the "proper" thing to do and most people expect that person A ought to do it. Another way to think about what we mean is that if individual A were to select a socially inappropriate choice, then someone else might be angry at individual A for doing so.

Based on your responses you will be able to earn money today. Specifically, we are going to ask you to consider each situation, look at the possible actions, and give evaluations of the actions while MATCHING your responses to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today because we are going to randomly select one situation and one of the possible choices that individual A could make. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

In each of your responses we would like you to answer as truthfully as possible, based on your opinions of what most people here in the room believe constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example and show you how you will indicate your responses. On the next screen you will see an example situation.

[SCREEN 3]

Example Situation (1 of 3)

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, very socially appropriate. You will rate each action on social appropriateness. To rate an action, you would 'click' on the radial for that action.

[coffee_empty.jpg]

[SCREEN 4]

Example Situation (2 of 3)

If this were one of the situations for this study, you would consider each of the possible choices below and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect that individual A ought to do.

For example, suppose you believe that most people think that taking the wallet is "very socially inappropriate", asking others nearby if the wallet belongs to them is "somewhat socially appropriate", leaving the wallet is "somewhat socially inappropriate" and giving the wallet to the shop manager is "very socially appropriate". Then you would have rated the actions in the following way:

[coffee_filled.jpg]

[SCREEN 5]

Example Situation (3 of 3)

In addition to trying to match your responses on the rating task to those of another person here in the room today, we are going to ask you to state how sure you are that your rating is the same as the rating given by most other people here today. Specifically, after each time that you rate an action, you will be asked to 'click' a radial to indicate how sure you are about whether your response matches the most common response in the room.

[coffee_filled_sureness.jpg]

[SCREEN 6]

At the end of the experiment today, one situation will be randomly selected. For this situation, we will also randomly select one of the possible choices that Individual A could have made. Thus, we

will select both a situation and one possible action choice at random. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched. To be specific:

You will earn $15 if your choice matches exactly the choice of who is matched with you.

For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category.

For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories.

For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

This amount will be paid to you, in cash, at the conclusion of the experiment.

[SCREEN 7: Quiz]

You will earn $15 if your choice matches exactly the choice of who is matched with you. For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category. For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories. For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

The order of appropriateness is:

Very socially inappropriate

Socially inappropriate

Somewhat socially inappropriate

Somewhat socially appropriate

Socially appropriate

Very socially appropriate

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Enter your answers WITHOUT a dollar sign ($).

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is "Very socially appropriate", your earning is:

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is Socially inappropriate", your earning is:

For the action selected for payment, if your rating is "Somewhat socially inappropriate" and the rating of the person who is randomly matched with you is "Socially appropriate", your earning is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 8]

The experiment will now begin. Before we begin, please raise your hand if you have any questions.

[SCREEN 9]

Situation 1

Individual A and Individual B are randomly paired with each other. This means that A and B do not know each other and will never find out who the other person is.

A and B each starts with 20 tokens.

A must choose an action. B will also be choosing an action at the same time. The action that A and B choose will determine their earnings. A must decide to transfer between 0 and 10 tokens to B as long as the transfer is a whole number from 0 to 10. B must also decide to transfer between 0 and 10 tokens to A as long as the transfer is a whole number from 0 to 10.

But, A must decide on his action without knowing what B has decided to do. Similarly, B must decide on his action without knowing what A has decided to do.

A and B were told that their payoffs would be calculated in the following way:

[ddg_instruction1.jpg]

[SCREEN 10]

In addition, A worked through these examples so that A could understand how his decision and that of B were going to determine his final payment.

[ddg_example.jpg]

[SCREEN 11: Quiz]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Payoff for A is 20 - 2A +6B.

Payoff for B is 20 - 2B +6A.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Suppose A chooses action 2 (A=2) and B chooses action 10 (B=10).

A's payoff is:

B's payoff is:

Suppose A chooses action 4 (A=4) and B chooses action 0 (B=0).

A's payoff is:

B's payoff is:

Suppose A chooses action 6 (A=6) and B chooses action 5 (B=5).

A's payoff is:

B's payoff is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 12]

There is one other thing that you need to know before you begin rating the appropriateness of A's actions: A and B were also given the opportunity to make an agreement about what action they were each going to take.

To be specific, they were given the following instruction:

[ddg_instruction2.jpg]

[SCREEN 13]

So, to recap the decision faced by A:

Individual A and Individual B are randomly paired with each other.

A and B each start with 20 tokens.

A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings.

A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is a whole number from 0 to 10.

A and B agreed with each other about taking action 7 before making their decision.

[SCREEN 14: Norm Rating I]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other. A and B each start with 20 tokens. A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings. A's action can be to transfer any amount between 0 and 10 tokens to B as long as the transfer is any whole number from 0 to 10.

Consequently:

A's earnings are : 20 - (2 × what A sends) + (6 × what B sends).

B's earnings are: 20 - (2 × what B sends) + (6 × what A sends).

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 19-1]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

For this decision task there are two possible options which yield different monetary payments for you and your counterpart. One of the payments will be paid to you and the other will be paid to your counterpart. The table below shows the two payment options.

Because you can see this table you can tell what the total amount involved is, and how it can be allocated. Your counterpart does not get a copy of the table, and will never be told the sums of money associated with each option or the total amount of money at stake.

However, your counterpart will pick the payment option which determines the amount each of you will receive.

The two payment options are:

[lying_payoff.gif]

The only action you can take is to send a message to your counterpart.

Your choice is to decide which of these two specific messages to send to your counterpart.

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

No other messages are possible.

[SCREEN 19-2]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

However, the counterpart does not get to pick the option. The only action your counterpart could take was to send you a message. You will see the message, but you will never be told the amounts associated with each option or the total amount of money at stake.

Your choice will determine the payments that you and your counterpart receive for this part of the study. The researchers will pay the two of you according to the choice made by you.

Your counterpart chose from two different messages to send to you. The only two possible messages your counterpart could send to you were:

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

[SCREEN 20-1]

Below is the table with the options and associated payouts for you and your counterpart.

Please check the box next to the message you wish to send to your counterpart.

Please indicate whether you believe that the person who reads your message will follow your advice or will disregard your advice.

[SCREEN 20-2]

You just got the following message from your counterpart:

INDICATE YOUR CHOICE HERE:

[SCREEN 21-1]

For this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $12 and the other player has $0. You can increase the other player's earnings by $6 if you pay a price $P.

$P will be randomly drawn between 0 and 6. You have to decide whether you are willing to pay $P for the other player to receive $6. You will be asked to state what the highest $P is that you are willing to pay.

Please note that your decision will not affect what the random price is, it will only determine whether you choose to pay that price.

For example:

If you decide that you are willing to pay up to $3 for the other player to receive $6,

And if the computer selects a price $P less or equal to $3, then your earnings would be $12-$P and your partner will receives $0 + $6.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most you would be willing to pay to give the other person $6), then you will get $11 and the other player will get $6.

But, if the computer selects a price $P greater than $3 then your earnings are $12 and the other player receives $0.

So if the computer chose a price of $5 (which is greater than the $3 that you said would be the most that you would be willing to pay to give the other person $6), then you will get $12 and the other player will get $0.

Now please indicate a number between $0 and $6 that you are willing to pay to give the other person $6:

In order for the other player to receive $6, I would be willing to pay any dollar amount (between $0 and $6) up to:

[SCREEN 21-2]

In this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $0 and the other player has $12. The other player can increase your earnings by $6 if he pays some price $P.

The $P that he will pay be randomly drawn between $0 and $6. He has to decide whether he is willing to pay $P for you to receive $6. We asked him what the most is that he is willing to pay so that you receive $6.

Please note that his decision will not affect what the random price is, it will only determine whether he chooses to pay that price.

For example:

If he decides that he is willing to pay up to $3 for you to receive $6.

And if the computer selects a price $P less or equal to $3, then your earnings will be $0 + $6 and the other player's earnings will be $12-$P.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most the other person would be willing to pay to give you $6), then you will get $6 and the other player will get $11.

But if the computer selects a price $P greater than $3 then your earnings will be $0 and the other player's earnings will be $12.

So if the computer chose a price of $5 (which is greater than the $3 that he said would be the most he would be willing to pay to give you $6), then you will get $0 and the other player will get $12.

[SCREEN 22]

You were willing to pay ($):

The computer chose a price of ($):

You received a payoff of ($):

Helping Game Results (2)

The computer chose a price of ($):

You received a payoff of ($):

3.2 Bertrand Game with agreement on 'action 70'

[SCREEN 1]

Experiment Instructions

This is a study in decision making. For your participation, you will be paid a participation fee of $10. You may receive some additional money based on your choices and the choice of others during the experiment.

If you have any questions during the study, please raise your hand and wait for an experimenter to come to you. Please do not talk or try to communicate with other participants during the experiment. Participants intentionally violating the rules may be asked to leave the experiment and may not be paid.

[SCREEN 2]

On the following screens, you will read descriptions of a series of situations. These descriptions correspond to situations in which one person, "individual A", must make a decision. For each situation, you will be given a description of the decision faced by Individual A. The description will include several possible choices available to individual A.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to individual A and to decide, for each of the possible actions, whether taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect individual A ought to do." By socially appropriate, we mean behavior that most people agree is the "proper" thing to do and most people expect that person A ought to do it. Another way to think about what we mean is that if individual A were to select a socially inappropriate choice, then someone else might be angry at individual A for doing so.

Based on your responses you will be able to earn money today. Specifically, we are going to ask you to consider each situation, look at the possible actions, and give evaluations of the actions while MATCHING your responses to those of another person here in the room today. We want you to try and give us the same response as a typical other person here today because we are going to randomly select one situation and one of the possible choices that individual A could make. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity between your appropriateness rating and that of the other randomly selected person to which you are matched.

In each of your responses we would like you to answer as truthfully as possible, based on your opinions of what most people here in the room believe constitutes socially appropriate or socially inappropriate behavior.

To give you an idea of how the experiment will proceed, we will go through an example and show you how you will indicate your responses. On the next screen you will see an example situation.

[SCREEN 3]

Example Situation (1 of 3)

Individual A is at a local coffee shop near campus. While there, individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose one of these four options.

The table below presents a list of the possible choices available to individual A. For each of the choices, you will be asked to indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, very socially appropriate. You will rate each action on social appropriateness. To rate an action, you would 'click' on the radial for that action.

[coffee_empty.jpg]

[SCREEN 4]

Example Situation (2 of 3)

If this were one of the situations for this study, you would consider each of the possible choices below and, for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with what most people expect individual A ought to do" or "socially inappropriate" and "inconsistent with what most people expect that individual A ought to do.

For example, suppose you believe that most people think that taking the wallet is "very socially inappropriate", asking others nearby if the wallet belongs to them is "somewhat socially appropriate", leaving the wallet is "somewhat socially inappropriate" and giving the wallet to the shop manager is "very socially appropriate". Then you would have rated the actions in the following way:

[coffee_filled.jpg]

[SCREEN 5]

Example Situation (3 of 3)

In addition to trying to match your responses on the rating task to those of another person here in the room today, we are going to ask you to state how sure you are that your rating is the same as the rating given by most other people here today. Specifically, after each time that you rate an action, you will be asked to 'click' a radial to indicate how sure you are about whether your response matches the most common response in the room.

[coffee_filled_sureness.jpg]

[SCREEN 6]

At the end of the experiment today, one situation will be randomly selected. For this situation, we will also randomly select one of the possible choices that Individual A could have made. Thus, we will select both a situation and one possible action choice at random. For the choice selected we will match you randomly with another person here today. Your earning depends on the similarity

between your appropriateness rating and that of the other randomly selected person to which you are matched. To be specific:

You will earn $15 if your choice matches exactly the choice of who is matched with you.

For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category.

For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories.

For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

This amount will be paid to you, in cash, at the conclusion of the experiment.

[SCREEN 7: Quiz]

You will earn $15 if your choice matches exactly the choice of who is matched with you. For example, if you choose "Socially appropriate" and the other person also chooses "Socially appropriate", you will get $15.

You will earn $11 if your choice and the choice of who is matched with you differ by one category. For example, if you choose "Socially appropriate" and the other person chooses "Somewhat socially appropriate", or "Very socially appropriate", you will get $11.

You will earn $7 if your choice and the choice of who is matched with you differ by two categories. For example, if you choose "Somewhat socially appropriate" and the other person chooses "Socially inappropriate", or "Very socially appropriate", you will get $7.

You will earn $3 if your choice and the choice of who is matched with you differ by three categories.

You will earn -$1 if your choice and the choice of who is matched with you differ by four categories.

You will earn -$5 if your choice and the choice of who is matched with you differ by five categories.

The order of appropriateness is:

Very socially inappropriate

Socially inappropriate

Somewhat socially inappropriate

Somewhat socially appropriate

Socially appropriate

Very socially appropriate

Please answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Enter your answers WITHOUT a dollar sign ($).

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is "Very socially appropriate", your earning is:

For the action selected for payment, if your rating is "Very socially appropriate" and the rating of the person who is randomly matched with you is Socially inappropriate", your earning is:

For the action selected for payment, if your rating is "Somewhat socially inappropriate" and the rating of the person who is randomly matched with you is "Socially appropriate", your earning is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 8]

The experiment will now begin. Before we begin, please raise your hand if you have any questions.

[SCREEN 9]

Situation 1

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

A was then told how his payment would be calculated.

[bg_example.jpg]

[SCREEN 10]

In addition, A worked through these examples so that A could understand how his decision and that of B were going to determine his final payment.

[bg_instruction1.jpg]

[SCREEN 11: Quiz]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose (A and B, respectively) will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental unitsPlease answer the following questions. You will not be able to move on to the next stage unless you answer all these questions correctly.

If you have a question, please raise your hand.

Suppose A chooses action 100 (A=100) and B chooses action 98 (B=98).

A's payoff is:

B's payoff is:

Suppose A chooses action 76 (A=76) and B chooses action 76 (B=76).

A's payoff is:

B's payoff is:

Suppose A chooses action 20 (A=20) and B chooses action 45 (B=45).

A's payoff is:

B's payoff is:

You have answered all questions correctly. Click 'Continue' to move to next stage.

[SCREEN 12]

There is one other thing that you need to know before you begin rating the appropriateness of A's actions: A and B were also given the opportunity to make an agreement about what action they were each going to take.

To be specific, they were given the following instruction:

[bg_instruction2.jpg]

[SCREEN 13]

So, to recap the decision faced by A:

Individual A and Individual B are randomly paired with each other.

A must choose an action. B will also be choosing an action at the same time. The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

A and B were able to communicate with each other prior to making their decision.

A and B agreed with each other on taking action 70 before making their decision.

[SCREEN 14: Norm Rating I]

Reminder of the Instructions

Individual A and Individual B are randomly paired with each other.

A must choose an action.

B will also be choosing an action at the same time.

The action A and B choose will determine their earnings.

A's action can be any whole number from 0 to 100.

Round earnings are determined such that:

If A equals B:

A earns (A/2) experimental units

B earns (A/2) experimental units

If A is less than B:

A earns A experimental units

B earns 0 experimental units

If B is less than A:

A earns 0 experimental units

B earns B experimental units

A and B agreed to take action 70.

The table below presents a list of the possible choices available to individual A. For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, somewhat socially appropriate, socially appropriate, or very socially appropriate. To indicate your response, please 'click' on one radial for each action.

[SCREEN 19-1]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

For this decision task there are two possible options which yield different monetary payments for you and your counterpart. One of the payments will be paid to you and the other will be paid to your counterpart. The table below shows the two payment options.

Because you can see this table you can tell what the total amount involved is, and how it can be allocated. Your counterpart does not get a copy of the table, and will never be told the sums of money associated with each option or the total amount of money at stake.

However, your counterpart will pick the payment option which determines the amount each of you will receive.

The two payment options are:

[lying_payoff.gif]

The only action you can take is to send a message to your counterpart.

Your choice is to decide which of these two specific messages to send to your counterpart.

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

No other messages are possible.

[SCREEN 19-2]

Experiment Instructions for Part II

In Part II of this study you will be asked to make 2 more decisions. In each case, you will be paired with a different person and this person will be different from the person that you were paired with in Part I.

Payment for this part of the study will be determined based on one of the two decisions you make in Part II. Payment from Part I will be added to the decision that is paid out in Part II.

For this part of the study you will be matched with another person here today. Neither of you will ever know the identity of the other. If this decision is selected to be paid out to you, then the money will be paid to you at the end of today's session in private and in cash. It will be added to whatever you earned in Part I and your show-up fee.

Note that because you do not know which decision will be paid out to you in Part II, it is in your interest to make decisions assuming that each decision will be paid out.

However, the counterpart does not get to pick the option. The only action your counterpart could take was to send you a message. You will see the message, but you will never be told the amounts associated with each option or the total amount of money at stake.

Your choice will determine the payments that you and your counterpart receive for this part of the study. The researchers will pay the two of you according to the choice made by you.

Your counterpart chose from two different messages to send to you. The only two possible messages your counterpart could send to you were:

Message 1: "Option A will earn you more money than option B."

Message 2: "Option B will earn you more money than option A."

[SCREEN 20-1]

Below is the table with the options and associated payouts for you and your counterpart.

Please check the box next to the message you wish to send to your counterpart.

Please indicate whether you believe that the person who reads your message will follow your advice or will disregard your advice.

[SCREEN 20-2]

You just got the following message from your counterpart:

INDICATE YOUR CHOICE HERE:

[SCREEN 21-1]

For this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $12 and the other player has $0. You can increase the other player's earnings by $6 if you pay a price $P.

$P will be randomly drawn between 0 and 6. You have to decide whether you are willing to pay $P for the other player to receive $6. You will be asked to state what the highest $P is that you are willing to pay.

Please note that your decision will not affect what the random price is, it will only determine whether you choose to pay that price.

For example:

If you decide that you are willing to pay up to $3 for the other player to receive $6,

And if the computer selects a price $P less or equal to $3, then your earnings would be $12-$P and your partner will receives $0 + $6.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most you would be willing to pay to give the other person $6), then you will get $11 and the other player will get $6.

But, if the computer selects a price $P greater than $3 then your earnings are $12 and the other player receives $0.

So if the computer chose a price of $5 (which is greater than the $3 that you said would be the most that you would be willing to pay to give the other person $6), then you will get $12 and the other player will get $0.

Now please indicate a number between $0 and $6 that you are willing to pay to give the other person $6:

In order for the other player to receive $6, I would be willing to pay any dollar amount (between $0 and $6) up to:

[SCREEN 21-2]

In this decision, you will be randomly and anonymously matched with another person in this room who is participating in this experiment. You have been given $0 and the other player has $12. The other player can increase your earnings by $6 if he pays some price $P.

The $P that he will pay be randomly drawn between $0 and $6. He has to decide whether he is willing to pay $P for you to receive $6. We asked him what the most is that he is willing to pay so that you receive $6.

Please note that his decision will not affect what the random price is, it will only determine whether he chooses to pay that price.

For example:

If he decides that he is willing to pay up to $3 for you to receive $6.

And if the computer selects a price $P less or equal to $3, then your earnings will be $0 + $6 and the other player's earnings will be $12-$P.

So if the computer chooses a price of $1 (which is below the $3 that you said would be the most the other person would be willing to pay to give you $6), then you will get $6 and the other player will get $11.

But if the computer selects a price $P greater than $3 then your earnings will be $0 and the other player's earnings will be $12.

So if the computer chose a price of $5 (which is greater than the $3 that he said would be the most he would be willing to pay to give you $6), then you will get $0 and the other player will get $12.

[SCREEN 22]

You were willing to pay ($):

The computer chose a price of ($):

You received a payoff of ($):

Helping Game Results (2)

The computer chose a price of ($):

You received a payoff of ($):