

Instructions for Decision Task One (version A)

A Two Part Experiment

Today's experiment has two parts, called Task One and Task Two. One of these parts will be selected for money payoff, by flipping a coin, at the end of the experiment. Task One decisions will be made in this room. Task Two decisions will be made in other rooms, down the hallway. These are the instructions for Task One.

No Talking Allowed

Now that the experiment has begun, we ask that you do not talk. If you have a question after we finish reading the instructions, please raise your hand and the experimenter will approach you and answer your question in private.

A Monitor and Two Groups

A monitor has been selected randomly from among those of you who came here today. The rest of you have been divided randomly into two groups, called Group X and Group Y. Group X people are seated all around the room. Group Y people are standing at the back of the room.

Anonymity

Each person in Group X will be randomly paired with a person in Group Y. No one will learn the identity of the person she/he is paired with.

Group Y Show-Up Fees

Each person in Group Y will be given 10 Task One one-dollar certificates as a show-up fee to put in his/her pocket.

Group X Show-Up Fees

Each person in Group X will be given 10 Task One one-dollar certificates as a show-up fee. As explained below, each Group X person will have a decision to make about what to do with her/his Task One show-up fee.

Complete Privacy

This experiment is structured so that no one, including the experimenters, the monitor, and the other subjects will ever know the personal decision of anyone in the experiment. This is accomplished by a procedure in which you collect your money payoff, contained in a sealed envelope, from a lettered mailbox that only you have the key for. Your privacy is guaranteed because neither your name nor your student ID number will appear on any form that records your decisions in this experiment. The only identifying mark on the decision forms will be a letter known only to you. You will be able to collect your money payoffs with privacy by using a key, which opens a mailbox. The key and mailbox will be labeled with the same letter as your decision-reporting forms. But you will be the only person who knows your personal letter.

The Group X Decision Task

Before the Group X people make their decisions, the Group Y people will leave the room. Then each person in Group X will decide whether to keep all 10 of his/her one-dollar Task One show-up fee certificates or give some or all of them to his/her paired person in Group Y. Every certificate given by a person in Group X to a person in Group Y will be tripled by the experimenters. The following table shows how this works.

<u>If the Group X Person Gives</u>	<u>The Experimenters Triple the Amount</u>	<u>And the Group Y Person Receives</u>
0	$3 * 0$	0
1	$3 * 1$	3
2	$3 * 2$	6
3	$3 * 3$	9
4	$3 * 4$	12
5	$3 * 5$	15
6	$3 * 6$	18
7	$3 * 7$	21
8	$3 * 8$	24
9	$3 * 9$	27
10	$3 * 10$	30

Transition

After the Group X people have made their decisions, they will leave this room by a side door and go with the experimenter down the hallway to make their decisions for Task Two in other rooms. The Group Y people will come back into this room to make their Task One decisions.

The Group Y Decision Task

After a person in Group Y receives an envelope containing the tripled number of certificates given to him/her by the paired Group X person, he/she will decide whether to return some, all, or none of the tripled number of certificates to the same person in Group X who gave them.

The Role of the Monitor

The monitor was randomly chosen from among the students who volunteered for today's experiment. The monitor will be in charge of distributing and collecting the little boxes that contain the envelopes containing mailbox keys and Task One one-dollar certificates. In addition, the monitor will be asked to watch and make sure that the experimenters actually follow the procedures that have been explained here.

The Coin Flip

At the end of the experiment, a coin will be flipped when everyone is present. The monitor will announce whether the coin comes up "heads" or "tails." If it is "heads," then Task One certificates will actually be worth one dollar each and Task Two certificates will be worthless. If it is "tails," then Task Two certificates will actually be worth one dollar each and Task One certificates will be worthless.