Instructions—first half of experiment

You are about to participate in an experiment in the economics of decision-making. Funds for this experiment have been provided by the University of Pittsburgh. Please read these instructions carefully, as the amount of money you earn in the experiment will depend on how well you understand them. All money you earn will be paid to you privately in cash at the end of the experiment. If you have a question at any time, please feel free to ask the experimenter. We ask that you not talk with the other participants during the experiment.

This experimental session is made up of 2 halves, each consisting of 20 rounds. Each round of the first half of the experiment consists of a simple decision making game, which will be described below. (You will receive instructions for the second half after the first half is finished.) Before the first round begins, we will randomly divide the participants in today's experiment into two equal-sized groups. One group is called the Red players, and the other is called the Blue players. The group you're in will stay the same throughout the experiment.

In each round, you will be randomly matched to a person in the other group. You have an equal chance of being matched to any particular person in the other group. You will not be told the identity of the person you are matched with, nor will that person be told your identity—even after the end of the session. Your earnings for this experiment will depend on the choices you make as well as the choices made by the person you are matched with.

Outline of Play: The sequence of play in a round is as follows. (Details are given below.)
    1. You are randomly matched to another participant, who is in the other group.
    2. You and the person you're matched with each choose which action to take.
    3. You find out the action chosen by the person you're matched with, as well as your earnings for the round.
        After this, you go on to the next round.

The Game: The game you will be playing is shown in the points table below.

		Blue player choice	
		X	Y
Red player	X	0,0	9,3
choice	Y	3,9	7,7

Both you and the person you're matched with have two choices available: X and Y. If you are a Row player, your choice determines a row of the points table, and the choice of the person you're matched with determines a column of the points table. If you are a Blue player, this is reversed: your choice determines a column of the points table, and the choice of the person you're matched with determines a row of the points table. The box formed by the Red player's row and the Blue player's column contains two numbers. The first of these numbers represents the Red player's earnings (in points), and the second number represents the Blue player's earnings (in points).

The computer screen: At the beginning of a round, you will be prompted to choose an action—either X or Y. Click on the radio button corresponding to the action you wish to take. Then click the Submit button. Note that you change your choice of X or Y by clicking on a different button anytime prior to clicking the Submit button.

After all participants have submitted their choices, the computer screen will display results for the round. Your screen will inform you of your choice for the round, the choice of the person matched with you, your points for that round and the points earned that round by the other person matched to you. After you have viewed all of this information, click Continue to go on to the next round.

Record sheets: You have been given a record sheet. During each round, you should circle your choice and the choice of the person matched with you, and record your points for that round, in the appropriate spaces. Feel free to consult your record sheet during the experiment, as your past results may give you information that can help you with your choices.

Payments: For showing up on time and completing the experiment, you will earn $5.00. In addition, at the end of the experimental session, the computer program will randomly select two rounds: one from the first half of the experiment and one from the second half. The total number of points you earn in these two rounds will be converted into cash at an exchange rate of $1 per point. You will be paid, individually and privately, your total earnings at that time.

Questionnaire: We will now pass out a questionnaire to make sure that all participants understand how to read the points table and understand other important features of the instructions. Please fill it out now. **Do not put your name on the questionnaire.** Raise your hand when you are finished, and the experimenter will collect it from you. If there are mistakes on any questionnaire, we will go over the relevant part of the instructions again.

Questionnaire

1. If the Red player chooses X and the Blue player chooses Y, then the Red player earns _____ points and the Blue player earns _____ points.

2. If the Red player chooses Y and the Blue player chooses Y, then the Red player earns _____ points and the Blue player earns _____ points.

3. If the Red player chooses Y and the Blue player chooses X, then the Red player earns _____ points and the Blue player earns _____ points.

4. If the Red player chooses X and the Blue player chooses X, then the Red player earns _____ points and the Blue player earns _____ points.

5. If you are a Red player, then you will be matched with other Red players in every round (circle one):   TRUE   FALSE

6. If you are a Blue player, then you will be matched with Red players in every round (circle one): TRUE   FALSE

7. You will be matched with the same person in every round (circle one):   TRUE   FALSE

Record sheet (first half)

Subject number: _____   I am a (circle one)   RED   BLUE   player.

Round #	Your action choice (circle one)		Action choice of the person matched to you (circle one)		Your points for this round
1	X	Y	X	Y	
2	X	Y	X	Y	
3	X	Y	X	Y	
4	X	Y	X	Y	
5	X	Y	X	Y	
6	X	Y	X	Y	
7	X	Y	X	Y	
8	X	Y	X	Y	
9	X	Y	X	Y	
10	X	Y	X	Y	
11	X	Y	X	Y	
12	X	Y	X	Y	
13	X	Y	X	Y	
14	X	Y	X	Y	
15	X	Y	X	Y	
16	X	Y	X	Y	
17	X	Y	X	Y	
18	X	Y	X	Y	
19	X	Y	X	Y	
20	X	Y	X	Y	

Instructions—second half of experiment

You are about to begin the second half of the experiment. This half is made up of 20 rounds, each consisting of a simple decision-making game that is very similar to the game played in the first half.

As in the first half, you are randomly matched in each round to a person in the other group. In each round, you have an equal chance of being matched to any particular person in the other group.

The points table you will be using will be the same as before:

		Blue player choice	
		X	Y
Red player	X	0,0	9,3
choice	Y	3,9	7,7

There is only one difference between the game you will play now and the game you played in the first half of the experiment. In this half of the experiment, before choosing your actions for the round, both you and the person you're matched with will be given recommendations by the computer program. So, the sequence of play in a round is now:

1. You are randomly matched to another participant, who is in the other group.
2. The computer program recommends an action for you to take, and an action for the other person to take.
3. You and the person you're matched with each choose which action to take.
4. You find out the action chosen by the person you're matched with, as well as your earnings for the round.
   After this, you go on to the next round.

Every other aspect of the decision-making game is the same as before. In particular, if you were a Red player in the first half, you will still be a Red player now, and if you were a Blue player in the first half, you will still be a Blue player now.

Recommendations: Before choosing an action in a round, both you and the person you're matched with are given recommendations by the computer program. Different recommendations will be given in different rounds. In any round, there are three possibilities:

- There is a ⅓ (33⅓%) chance that it will be recommended that the Red player choose X and the Blue player choose Y;
- There is a ⅓ (33⅓%) chance that it will be recommended that the Red player choose Y and the Blue player choose X;
- There is a ⅓ (33⅓%) chance that it will be recommended that both the Red player and the Blue player choose Y;

It will never happen that you are both recommended to choose X.

These recommendations are optional; it is up to you whether or not to follow them.

Notice that your recommendation gives you information about the recommendation that was given to the person matched to you.

The computer screen: At the beginning of a round, the computer screen will display the action it recommends you choose as follows: "It is recommended that you choose ___ ." Below this recommendation, you will be prompted to choose an action—either X or Y. As before, click on the radio button corresponding to the action you wish to take, then click the Submit button. After all participants have submitted their choices, the computer screen will inform you of the recommendation made to you, your choice for the round, the recommendation given to the person matched with you, the choice of the person matched with you, your points for that round and the points earned that round by the person matched to you. After you have viewed all of this information, click Continue to go on to the next round.

Record sheet (second half)

Subject number: _____   I am a (circle one)   RED   BLUE   player.

Round #	Recommendation to you (circle one)		Your action choice (circle one)		Recommendation to the person matched to you (circle one)		Action choice of the person matched to you (circle one)		Your points for this round
21	X	Y	X	Y	X	Y	X	Y	
22	X	Y	X	Y	X	Y	X	Y	
23	X	Y	X	Y	X	Y	X	Y	
24	X	Y	X	Y	X	Y	X	Y	
25	X	Y	X	Y	X	Y	X	Y	
26	X	Y	X	Y	X	Y	X	Y	
27	X	Y	X	Y	X	Y	X	Y	
28	X	Y	X	Y	X	Y	X	Y	
29	X	Y	X	Y	X	Y	X	Y	
30	X	Y	X	Y	X	Y	X	Y	
31	X	Y	X	Y	X	Y	X	Y	
32	X	Y	X	Y	X	Y	X	Y	
33	X	Y	X	Y	X	Y	X	Y	
34	X	Y	X	Y	X	Y	X	Y	
35	X	Y	X	Y	X	Y	X	Y	
36	X	Y	X	Y	X	Y	X	Y	
37	X	Y	X	Y	X	Y	X	Y	
38	X	Y	X	Y	X	Y	X	Y	
39	X	Y	X	Y	X	Y	X	Y	
40	X	Y	X	Y	X	Y	X	Y	