

Instructions

Welcome to this experiment and thank you very much for your participation. Please read these instructions – which are identical for all – carefully.

Please switch off your mobile phones. Communication among the participants is prohibited throughout the experiment. If you have any questions, please raise your hand. An experimenter will then come to your seat and answer your question in private. If you do not comply to these rules, we have to exclude you from the experiment and you receive no payoff for your participation.

Your payoff during the experiment depends on your own decisions and the decisions of other participants. The payoff in the experiment will be measured in units of an experimental currency (ECU). The ECU you earn throughout the experiment will be transferred to Euro in the end of the experiment. The conversion rule is

1 unit of the experimental currency (ECU) = 0.10 Euro

We will calculate your payoff in the end of the experiment. We will pay you off in private. Hence, no other participant will get to know your payoff.

Course of the experiment

In this experiment you interact with one other participant. You will interact with this participant using a computer terminal. In the remainder, we describe your decisions in detail. You and the other subject have one out of two roles: Player 1 and player 2. These roles are assigned randomly in the beginning of the experiment.

Decision

If you are player 1, you decide over the distribution of an amount of 100 ECU. That is, as player 1 you specify how much of the amount you want to keep for yourself (see Figure 1). After you have made your choice and entered the value in the decision screen, please click “Continue”. By choosing the value, you want to keep for yourself, you also specify how much player 2 receives. He receives 100 ECU minus the amount you kept for yourself.

Player 2 does not make any decisions.

Payoff

After player 1 clicked on the button “Continue”, both participants get to know the amount in ECU, they will be paid in the end of the experiment.

Please enter the amount in ECU, you want to keep for yourself:

Figure 1: Decision screen

Instructions

You now participate in a second part of the experiment. Again two participants interact. The task for you and the other participant is to distribute a number of points among the both of you.

Decision

Number of points, you and the other participant can distribute: 100

	You	Other participant
Conversion rate "ECU to point":	1.2	6.0
ECU for not coming to an agreement :	0	0
ECU for receiving all points:	120.0	600.0

Leave Bargaining

Figure 2: Screen to distribute the points

For distributing the points you see the following information (see Figure 2):

- On the screen, you see how many points you can distribute between you and your fellow player.
- You see how the points are transferred to ECU. The corresponding conversion rate differs between both participants, who interact with each other. You see both, your conversion rate as well as the conversion rate of the participant you interact with.
- In addition, you see the amount of points for both participants, which are paid off if you and the other player do not come to an agreement.

Before making an offer, you can communicate with your fellow participant using a chat. You yourself decide on the end of communication. To leave the chat, and make your offer, please click on the button "Leave bargaining" and confirm your decision again on the next "window" (see Figure 3).

Remarks on the chat: You are not allowed to give information in the chat, which could allow to make inferences on your person or threaten the anonymity of any participant in any way. In addition, you are not allowed to communicate with the other participant concerning the outcome of any previous experiment parts. If you do not follow these rules, the experiment ends. The person responsible pays for all costs of this session, according to the statutes of the MaXLab.

Remark on you decision: Please only specify the amount of points, you will keep for yourself.

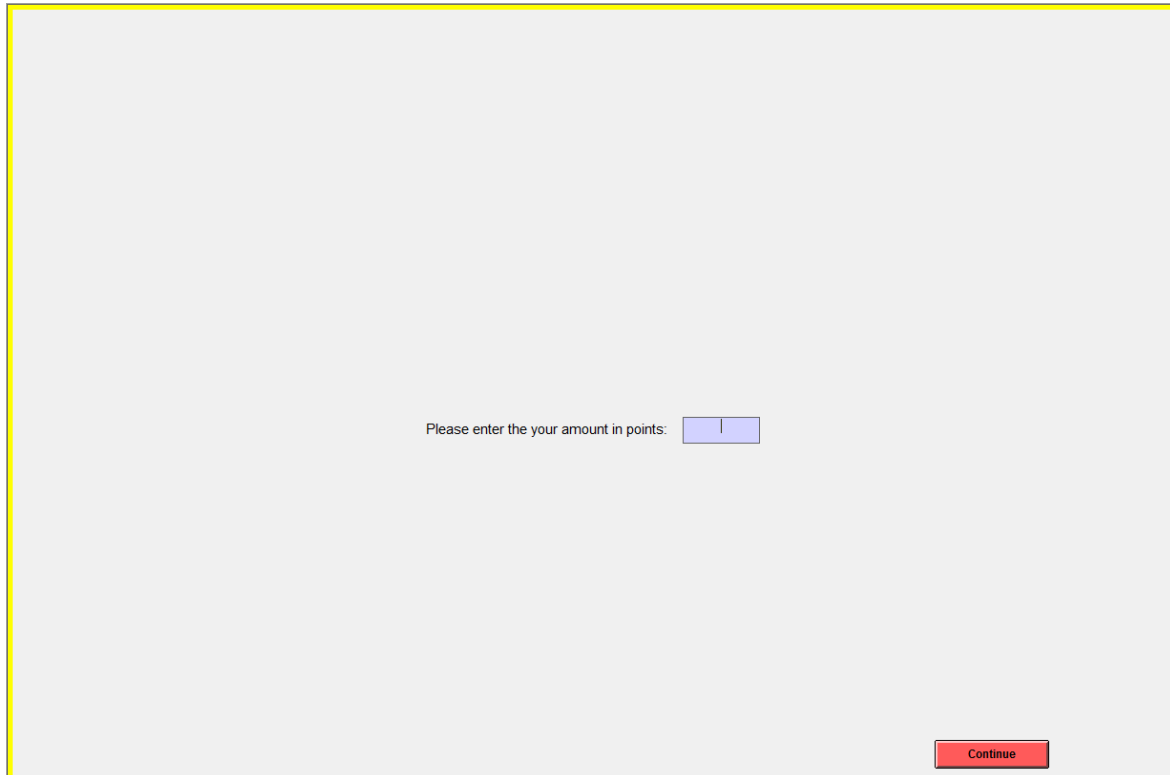


Figure 3: Specification of own decision

Specific decision situation

In the remainder, we describe the decision situation in more detail. The decision situation is as follows:

	Player 1	Player 2
Conversion rate „ECU to point“	6,0	1,2
ECU for not coming to an agreement	0	0
ECU for receiving all points	600,0	120,0

That is, the decision situation visualized in Figure 2, corresponds to this decision situation from the perspective of player 2.

Payoff

Your payoff for the decision situation will be calculated as follows:

- **Sum of offers \leq amount to distribute:** If the sum of both offers corresponds exactly to the amount of points available or if the sum is below the distributable amount, the distribution will be realized. Then the payoff of the participants corresponds to the amount of points taken multiplied by the conversion rate.
- **Sum of offers $>$ amount to distribute:** If the sum of offers exceeds the overall number of points to distribute, you do not come to an agreement. In this case, the payoff of both participants is 0 ECU.