INSTRUCTIONS

Thank you for participating in this experiment in decision-making behaviour. You will be paid for your participation in cash, immediately at the end of the experiment. What you earn depends partly on your decisions and partly on the decisions of the player with whom you will play in a game. A research foundation has contributed the money for this study.

It is critically important that you strictly follow the rules of this experiment. If you disobey the rules, we will have to ask you to leave the experiment.

In case you have any questions after reading these instructions, please let the supervisor know and he will answer them.

Description of the task

You will be participating in a simple game. The game will be played only once. It requires 2 players, one will be called the WHITE player and the other the BLACK player, which will take turns in sequence. You will either play as the WHITE player or as the BLACK player.

When it is his turn to play, a player has to choose between two decisions:

- STOP
  or
- CONTINUE.

As soon as any player chooses to STOP, the game ends.

If a player chooses to CONTINUE, then the other player will be faced with the same choice: STOP or CONTINUE. If he is the last player in the sequence, the game will end no matter what decision he makes.

The WHITE player will begin, that is he must make the first decision. Each player will have a maximum of three decisions to make. As indicated above, the game will end as soon as one player chooses to STOP.
Below is a pictorial representation of the game. The color of the circles (WHITE or BLACK) identifies which player makes a decision, either STOP or CONTINUE, given that the game has progressed to that circle. The arrows pointing right and down represent the two decisions. The terminal brackets contain the payoff information. The game will end at one of these seven terminal brackets.

All the payoffs are in Euros. As you may see, the top number in each bracket is in WHITE color; it identifies the payoff for the WHITE player. The bottom number is in BLACK color, and identifies the payoff for the BLACK player.

The game will start with the WHITE player at the farthest left decision node.

Please take some time now to study the game and its possible payoffs.

(Note: Next are the instructions given to the WHITE player. The instructions given to the BLACK player are the same except for the words in brackets.)

**Players**

*You* have been selected to play as the WHITE [BLACK] player, so *you [the White Player]* will begin the game at the farthest left decision node.

The BLACK [WHITE] player is right now in a separate room in this building. He has read the same instructions you are reading under the supervision of an experimenter. He has been notified that he will play as a BLACK [WHITE] player, and that you are right now in a different room. You will not know his identity, nor will he know your identity. You will be in touch exclusively through SMS communication using this telephone/blackberry which will be operated by the experimenter under your supervision. Any other form of communication during the entire experiment is strictly forbidden.
Procedure

To make your decision, please do the following:

1. Circle the action you want to take in the figure that is enclosed in the last page of these instructions, that is circle either the word STOP or the word CONTINUE.

2. Then, the experimenter will send a SMS to the Black [White] player using this telephone/blackberry indicating to him what your choice is. You may check that the experimenter does send him your choice.

3. The Black [White] player will then send you an SMS with the word “OK” confirming that he has received your SMS.

4. When is your turn to play:
   - if you choose to STOP, the game will end;
   - if you choose to CONTINUE, then it is his turn [unless you are at the very last node]. He will then have to make his decision, and you will have to wait until he communicates this decision to you through a SMS.

5. When you receive his decision, send him back a SMS reply with the word “OK” to indicate that you have received his decision. Circle his decision in the figure, that is circle the word STOP or CONTINUE. If he has decided to STOP, the game will be over. But if he has decided to CONTINUE, it is then your turn to make a decision (unless, of course, he was in his last decision node). Then proceed as you did before.

Summary: Summing up, the game follows the following basic sequence. The WHITE player begins and makes his decision. If he chooses to STOP then the game is over. If he chooses to CONTINUE, then the BLACK player will make his choice. Again, if he then chooses to STOP the game is over. But if he chooses to CONTINUE, then it is the WHITE player’s turn to move. These sequential choices continue until the trial ends, that is until either you stop it or he stops it, or until the final node (the one farthest right one) is reached.

Final Step of the Procedure: As soon as the game ends, you must sign your name in the figure where you have circled your choices and the choices of the Black [White] player, give it to the supervisor, and he will then pay you both your payoffs in cash.

Do you have any questions?

Please indicate to the supervisor that you have completed reading the instructions, and that you have no more questions about how to proceed. The supervisor will then start the experiment in just a few minutes.

Remember, you are the WHITE [BLACK] player so you [the WHITE player] will begin the game. [Therefore, you must wait until you get a SMS message with the first decision he makes. Send him a SMS with the word “OK” after you receive it. If chooses to stop, the game is over; if he chooses to continue, then make your choice by proceeding as indicated in the instructions.]

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1. Sentence in parenthesis omitted for the Black player.
Figure where to circle YOUR CHOICES and the CHOICES OF THE BLACK [WHITE] PLAYER:

Sign your name here: