

Instructions (treatment HL)

{translation from the German instructions}

You are taking part in the following experiment over **10 rounds**:

Your task is to choose an **integer from 0 to 100** in each round. Your payoff depends on this number and the number chosen by a **participant to whom you are assigned**.

At the beginning of the experiment another participant is randomly assigned to you. This assignment is kept constant during the whole experiment. The identity of the other participant is not revealed to you.

Procedure:

1. You have to choose an integer between 0 and 100 and record the number on your decision sheet. The number chosen costs a certain amount. Costs and payoffs are given in the fictitious currency “Taler“.
2. All decision sheets are collected after all participants have filled in their numbers. The experimenter calculates the payoffs on the basis of the numbers chosen by you. This works as follows:
If you choose a higher number than the participant that is assigned to you, you receive 150 Taler, otherwise 50 Taler. If you and the participant that is assigned to you choose the same number, a fair random move decides who is going to receive 150 and who 50 Taler. The **cost** of the number you have chosen is subtracted from this amount.
The **cost table** gives you the cost of each number between 0 and 100. The **payoff table** gives your payoff for each possible combination of chosen numbers. The cost is already deducted here.
3. You receive back your decision sheet on which you will find the number chosen by the participant assigned to you, the payoff of this other participant and your own payoff. Only the participant assigned to you learns the number you have chosen.
4. The next round starts.

At the end of the experiment the sum of the payoffs in Taler is changed in to DM at an exchange rate of 40 Taler per 1 DM.