Please read all directions carefully:

Thank you for your willingness to participate in this behavioral economics experiment. The purpose of the experiment is to measure strategic behavior in experimental auctions. Don't worry. There are no right or wrong strategies, just different strategies and that is what we are trying to measure.

To compensate you for your time and effort we are paying you a $12 participation fee. This money is yours to keep and you will not be required to use any portion of it in the experiment. You will be told at the end of this website how to collect your participation fee.

The experiment will consist of four experimental auctions where you will be asked to submit a bid. After each auction you will be required to answer a set of questions.

Please note: None of the auctions will require you to spend any of your own money. You will need to submit all required bids and answers to qualify for your participation fee.

Also, by participating in this experiment you promise not to share information with anyone else regarding your bids or answers to the questions. Sharing information would compromise the integrity of the experiment.

The directions for the first auction are given below.

(Instructions on the website for the $10 winner's bonus)

By submitting a bid in this auction you will have the opportunity to win a monetary prize. Whether or not you have the winning bid, you will not be required to spend any of your own money.

Here's how the auction works. We are going to offer you a $10 "winner's bonus" for participating in this auction. There is a catch, however. You will only
receive the $10 winner's bonus if you have the winning bid. Otherwise you get nothing.

You will submit a bid for a monetary prize. The maximum amount of the prize is $50 but the actual amount will depend upon the amount of the winning bid. There will be at least 29 people besides you submitting bids. The person with the highest bid will win the prize. If you do not have the highest bid, you will not win the prize and it won't cost you anything. If your bid would cause you to spend any of your own money (if it is greater than $60), it is considered invalid and you will need to resubmit a valid bid.

If you have the highest bid or tie for the highest bid, you will win the prize. The amount of prize money you receive will be the difference between $60 (the $50 prize plus the $10 winner's bonus) and your bid.

You will be notified by email if you have the winning bid and arrangements will be made to pay you your prize money.

Your bid _____

We would like you to answer the following questions about your understanding of and strategy you employed in the experimental auction where you just submitted a bid.

1. What is your understanding of the maximum bid that you could have submitted in this experimental auction?

Enter amount $_____

2. What is your understanding of the number of other bidders who would be bidding in this experimental auction?

At least (enter number) _____

3. What is your understanding of who will win any money (besides receiving the participation fee for submitting bids answering questions) and in this experimental auction? Check one.

a. Everybody will win something _____

b. Only bidders with the highest bids (including ties) will win _____

4. If you had been told that there were only two (2) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

5. If you had been told that there were ten (10) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

(Instructions on the website for the baseline treatment)

By submitting a bid in this auction you will have the opportunity to win a monetary prize. Whether or not you have the winning bid you will not be required to spend any of your own money.

Here's how the auction works. You will submit a bid for a monetary prize. The maximum amount of the prize is $60 but the actual amount will depend upon the amount of the winning bid. There will be at least 29 people besides you submitting bids. The person with the highest bid will win the prize. If you do not have the highest bid, you will not win the prize and it won't cost you anything. If your bid would cause you to spend any of your own money (if it is greater than $60), it is considered invalid and you will need to resubmit a valid bid.

If you have the highest bid or tie for the highest bid, you will win the prize. The amount of prize money you receive will be the difference between the $60 and your bid.

You will be notified by email if you have the winning bid and arrangements will be made to pay you your prize money.

Your bid _____

We would like you to answer the following questions about your understanding of and strategy you employed in the experimental auction where you just submitted a bid.

1. What is your understanding of the maximum bid that you could have submitted in this experimental auction?

Enter amount $_____

2. What is your understanding of the number of other bidders who would be bidding in this experimental auction?

At least (Enter number) _____

3. What is your understanding of who will win any money (besides receiving the participation fee for submitting bids answering questions) and in this experimental auction? Check one.

a. Everybody will win something _____

b. Only bidders with the highest bids (including ties) will win _____

4. If you had been told that there were only two (2) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

5. If you had been told that there were ten (10) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

(Instructions on the website for the $15 winner's bonus)

By submitting a bid in this auction you will have the opportunity to win a monetary prize. Whether or not you have the winning bid you will not be required to spend any of your own money.

Here's how the auction works. We are going to offer you a $15 "winner's bonus" for participating in this auction. There is a catch, however. You will only receive the $15 winner's bonus if you have the winning bid. Otherwise you get nothing.

You will submit a bid for a monetary prize. The maximum amount of the prize is $45

but the actual amount will depend upon the amount of the winning bid. There will be at least 29 people besides you submitting bids. The person with the highest bid will win the prize. If you do not have the highest bid, you will not win the prize and it won't cost you anything.

Please note: This auction is different than the first two. You are allowed to bid any amount of money that you wish. However, be aware that the amount of some bids may cause you to spend some of your own money and if you have the winning bid you will be required to pay that money. So, be very careful in formulating your bid.

If you have the highest bid or tie for the highest bid, you will win the prize. The amount of prize money you receive will be the difference between $60 (the $45 prize plus the $15 winner's bonus) and your bid.

You will be notified by email if you have the winning bid and arrangements will be made to either pay you your prize money or collect the money you owe depending upon the amount of your bid. If you do not have the winning bid there will be no cost to you.

Your bid _____

We would like you to answer the following questions about your understanding of and strategy you employed in the experimental auction where you just submitted a bid.

1. What is your understanding of the maximum bid that you could have submitted in this experimental auction?

$60 _____

None _____

$45 _____

2. What is your understanding of the number of other bidders who would be bidding in this experimental auction?

At least (Enter number) _____

3. What is your understanding of who will win any money (besides receiving the participation fee for submitting bids answering questions) and in this experimental auction? Check one.

a. Everybody will win something _____

b. Only bidders with the highest bids (including ties) will win _____

4. If you had been told that there were only two (2) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

5. If you had been told that there were ten (10) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

(Instructions on the website for the $5 winner's bonus)

By submitting a bid in this auction you will have the opportunity to win a monetary prize. Whether or not you have the winning bid you will not be required to spend any of your own money.

Here's how the auction works. We are going to offer you a $5 "winner's bonus" for participating in this auction. There is a catch, however. You will only receive the $5 winner's bonus if you have the winning bid. Otherwise you get nothing.

You will submit a bid for a monetary prize. The maximum amount of the prize is $55 but the actual amount will depend upon the amount of the winning bid. There will be at least 29 people besides you submitting bids. The person with the highest bid will win the prize. If you do not have the highest bid, you will not win the prize and it won't cost you anything.

Please note: This auction is different than the first two. You are allowed to bid any amount of money that you wish. However, be aware that the amount of some bids may cause you to spend some of your own money and if you have the winning bid you will be required to pay that money. So, be very careful in formulating your bid.

If you have the highest bid or tie for the highest bid, you will win the prize. The amount of prize money you receive will be the difference between $60 (the $55 prize plus the $5 winner's bonus) and your bid.

You will be notified by email if you have the winning bid and arrangements will be made to either pay you your prize money or collect the money you owe depending upon the amount of your bid. If you do not have the winning bid there will be no cost to you.

Your bid _____

We would like you to answer the following questions about your understanding of and strategy you employed in the experimental auction where you just submitted a bid.

1. What is your understanding of the maximum bid that you could have submitted in this experimental auction? Check one.

$60 _____

None _____

$45 _____

2. What is your understanding of the number of other bidders who would be bidding in this experimental auction?

At least (Enter number) _____

3. What is your understanding of who will win any money (besides receiving the participation fee for submitting bids answering questions) and in this experimental auction? Check one.

a. Everybody will win something _____

b. Only bidders with the highest bids (including ties) will win _____

4. If you had been told that there were only two (2) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

5. If you had been told that there were ten (10) other bidders in the auction besides would your bid have been different? Check one.

a. My bid would have been higher than before _____

b. My bid would have been the same as before _____

c. My bid would have been lower than before _____

_____

These questions are about your background.

A. I am

Male _____

Female _____

B. What is your previous experience studying economics? (Check one)

I have never studied economics before in high school or college _____

I studied economics in a non-AP high school course _____

I took AP economics in high school _____

I took a college economics course before (either while in high school or college) ____

C. What is your experience with auctions?

I have participated in either online or in-person auctions before _____

I have never participated in an online or in-person auction before _____

You have now completed your participation in the experiment. Thank you. In order to make arrangements to pick up your $12 participation fee, please email Professor Mike Vernarelli aka Dr. Vern. He will check to make sure you have completed all parts of the experiment and tell you where you can pick up your fee. Dr. Vern will also notify anyone who has won money in the auction.