Decision Experiment

Please read along while the instructor reads the instructions aloud.

Do not write your name on this sheet. Write the code number from the slip handed to you on the form.

This one sheet is shared by two people who will never learn who the other is. **Player 1 and Player 2 each start with $5.**

1. **Player 1** decides how much of their $5 to send to Player 2 (anywhere from $0 to $5 in dollar increments). Player 1 keeps the rest.
2. Player 1 hands the sheet in face down. The instructor **triples** the amount sent, shuffles the sheets, and hands this same sheet to Player 2.
3. **Player 2** receives the tripled amount and decides how much of it to **send back** to Player 1 (anywhere from $0 to all of it). Player 2 keeps the rest.

EARNINGS

Player 1 $\$5 - \text{amount sent} + \text{amount sent back}$

Player 2 $\$5 + 3 \times \text{amount sent} - \text{amount sent back}$

Example: if Player 1 sends $2, Player 2 receives $6. If Player 2 sends back $3, Player 1 earns $\$5 - \$2 + \$3 = \$6$ and Player 2 earns $\$5 + \$6 - \$3 = \$8$. This is only an example; the actual decisions are up to you.

After class, the instructor draws one sheet at random. **That pair is paid for real.**

Rules. Decide on your own, don't talk, and don't look at anyone else's sheet. There are no right or wrong answers. Choose what you actually want.

Decision Form

Player 1

Code number _____

Send Player 2 any whole-dollar amount from $0 to $5. You keep the rest.

I send Player 2 **$** _____ and I keep **$** _____

Instructor fills in: Amount sent $\times$ 3 = **$** _____

Player 2

Code number _____

You received the tripled amount above. Send back any whole-dollar amount from $0 up to that amount. Do not change anything Player 1 or the instructor wrote.

I send back to Player 1 **$** _____ and I keep **$** _____