

## Appendix – Experiment Instructions

### Experiment Instructions – Multi-Dyad with Recordkeeping Condition

#### **Introduction**

You have been invited to participate in a decision making study. During today's session, you will earn income in an experimental currency called *Lira*. At the end of the session, this currency will be converted to dollars at a rate of \$0.04 (4 cents) per *Lira*, and you will be paid in cash.

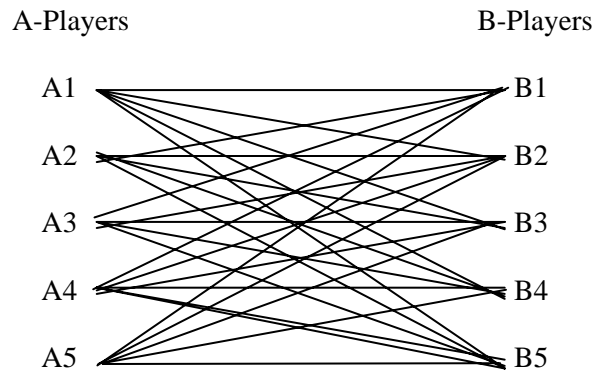
Please read these instructions very carefully. You will be required to complete a quiz, in order to demonstrate that you have a complete and accurate understanding of these instructions. After you have completed the quiz, the administrator will check your answers and discuss with you any questions that have been answered incorrectly.

#### **Session Overview**

This session will be run entirely over the computer. Please do not talk with any of the other participants. If you have a question, you may raise your hand, and the administrator will answer the question privately. You are precluded from using paper or pencil during this session. However, the right side of your screen is there for your convenience if you should want to use it for typing.

#### **Roles and Procedures**

Every participant will be assigned to the role of either an A-player or a B-player. You will be organized into groups of 10 players, consisting of 5 A-players and 5 B-players. Each A-player in the group will be simultaneously paired with the 5 B-players in the group. Similarly, each B-player will be simultaneously paired with the 5 A-players. For example, if the 5 A-players in a group are designated A1-A5, and the 5 B-players are designated B1-B5, the following diagram demonstrates all pairings in the group.



These roles will be completely anonymous. That is, you will know your own role, but you will not know the role of any other participant.

You will be asked to make decisions in a number of identical rounds. Each round begins with each A-participant receiving an initial endowment of 10 *Lira* for each paired B-participant. That is, each A-player will receive 10 *Lira* for B1, 10 *Lira* for B2, 10 *Lira* for B3, 10 *Lira* for B4, and 10 *Lira* for B5, for a total of 50 *Lira*.

Each round proceeds through two sequential stages.

### *Stage 1*

In the first stage, each A-player will be prompted by the computer to decide how much of the initial endowment to keep and how much to send to a paired B-player. For example, A1 will decide what amount (from 0 to 10 *Lira*) to send to B1. Similarly, A1 will decide what amount to send to B2 through B5. The amount sent will always be in whole *Lira*. The A-Player will keep any money s/he has not sent to each B-Player.

The A-Player's Stage 1 decision will be entered on the Screen 1, pictured below.

Period	1	Remaining time [sec:]
Your endowment for Participant B1	10	
How much will you send to Participant B1?	<input type="text"/>	
Your endowment for Participant B2	10	
How much will you send to Participant B2?	<input type="text"/>	
Your endowment for Participant B3	10	
How much will you send to Participant B3?	<input type="text"/>	
Your endowment for Participant B4	10	
How much will you send to Participant B4?	<input type="text"/>	
Your endowment for Participant B5	10	
How much will you send to Participant B5?	<input type="text"/>	
<input type="button" value="OK"/>		

*Screen 1*

Whatever amount the A-Player sends is tripled in value before the B-Player receives it. The tripled amount (the amount sent X 3) will be presented on Screen 2, pictured below.

Period 1 Remaining time [sec:]

Received from Participant A1  
How much will you send to Participant A1?

Received from Participant A2  
How much will you send to Participant A2?

Received from Participant A3  
How much will you send to Participant A3?

Received from Participant A4  
How much will you send to Participant A4?

Received from Participant A5  
How much will you send to Participant A5?

OK

*Screen 2*

*Stage 2*

In the game's second stage, the B-player decides how much of the tripled amount received to send to each A-player. Thus, each B-Player will send 5 amounts (from 0 to the tripled amount received) to the 5 different A-Players. The amount sent will always be in whole *Lira*.

The B-Player's Stage 2 decision will be entered on Screen 2, pictured above.

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## Payoffs

In each round, each A-Player's payoff will be the total of the 5 amounts that s/he retained and did not send to the B-Players plus the total of the 5 amounts sent from the B-Players.

In each round, each B-Player's payoff will be the total of the 5 tripled amounts that s/he received minus the total of the 5 amounts s/he sent to each of the A-Players.

Following each round, each A-Player will receive the information presented on Screen 3, pictured below.

Period	Remaining time [sec]:
Participant B1 sent	
Participant B2 sent	
Participant B3 sent	
Participant B4 sent	
Participant B5 sent	
<input type="button" value="Continue"/>	

*Screen 3*

Following each round, each B-Player will receive the information presented on Screen 4, pictured below.

Period	Remaining time [sec]:
Received from Participant A1	
Received from Participant A2	
Received from Participant A3	
Received from Participant A4	
Received from Participant A5	
<input type="button" value="continue"/>	

*Screen 4*

**Completion of Rounds**

After completing each round, the computer will proceed to the next round, which will be conducted identically to the last round.

Once all rounds have been completed each participant's total payoffs will be displayed. You will be paid your cumulative income at the completion of the session.

## Experiment Instructions – Single-Dyad with Recordkeeping Condition

### **Introduction**

You have been invited to participate in a decision making study. During today's session, you will earn income in an experimental currency called Lira. At the end of the session, this currency will be converted to dollars at a rate of \$0.20 (20 cents) per Lira, and you will be paid in cash.

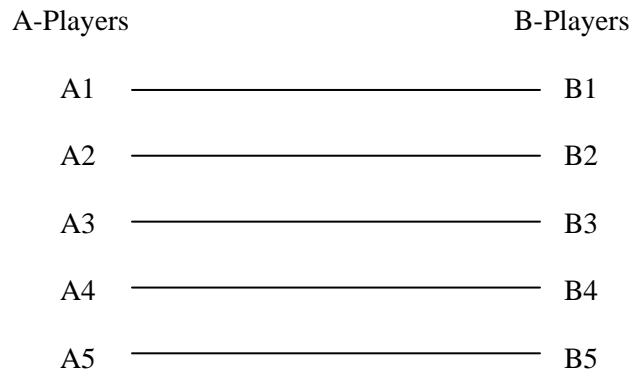
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### **Session Overview**

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### **Roles and Procedures**

Every participant will be assigned to the role of either an A-player or a B-player. You will be organized into permanent pairs of 2 players, consisting of 1 A-player and 1 B-player. For example, if the 5 A-players in a group are designated A1-A5, and the 5 B-players are designated B1-B5, the following diagram demonstrates all pairings in the group.



These roles will be completely anonymous. That is, you will know your own role, but you will not know the role of any other participant.

You will be asked to make decisions in a number of identical rounds. Each round begins with A-players receiving an initial endowment of 10 Lira.

Each round proceeds through two sequential stages.

*Stage 1*

In the first stage, each A-player will be prompted by the computer to decide how much of the initial endowment to keep and how much to send to the paired B-player. For example, A1 will decide what amount (from 0 to 10 Lira) to send to B1. The amount sent will always be in whole Lira. The A-Player will keep any money s/he has not sent to the B-Player.

The A-Player's Stage 1 decision will be entered on the Screen 1, pictured below.

The screenshot shows a software window with a light beige background. At the top left, there is a label 'Period' followed by the number '1'. At the top right, there is a label 'Remaining time [sec:]' followed by a blank space. The main area of the window contains the text 'Your endowment for Participant B' followed by the number '10'. Below this, it asks 'How much will you send to Participant B?' with a blue rectangular input field. To the right of the input field is a red rectangular button labeled 'OK'. On the far right side of the window, there is a vertical scroll bar.

*Screen 1*

Whatever amount the A-Player sends is tripled in value before the B-Player receives it. The tripled amount (the amount sent  $\times 3$ ) will be presented on Screen 2, pictured below.

Period 1 Remaining time [sec:]

Received from Participant A

How much will you send to Participant A?

OK

*Screen 2*

*Stage 2*

In the game's second stage, the B-player decides how much of the tripled amount received (from 0 to the tripled amount received) to send to the A-player. The amount sent will always be in whole Lira.

The B-Player's Stage 2 decision will be entered on Screen 2, pictured above.

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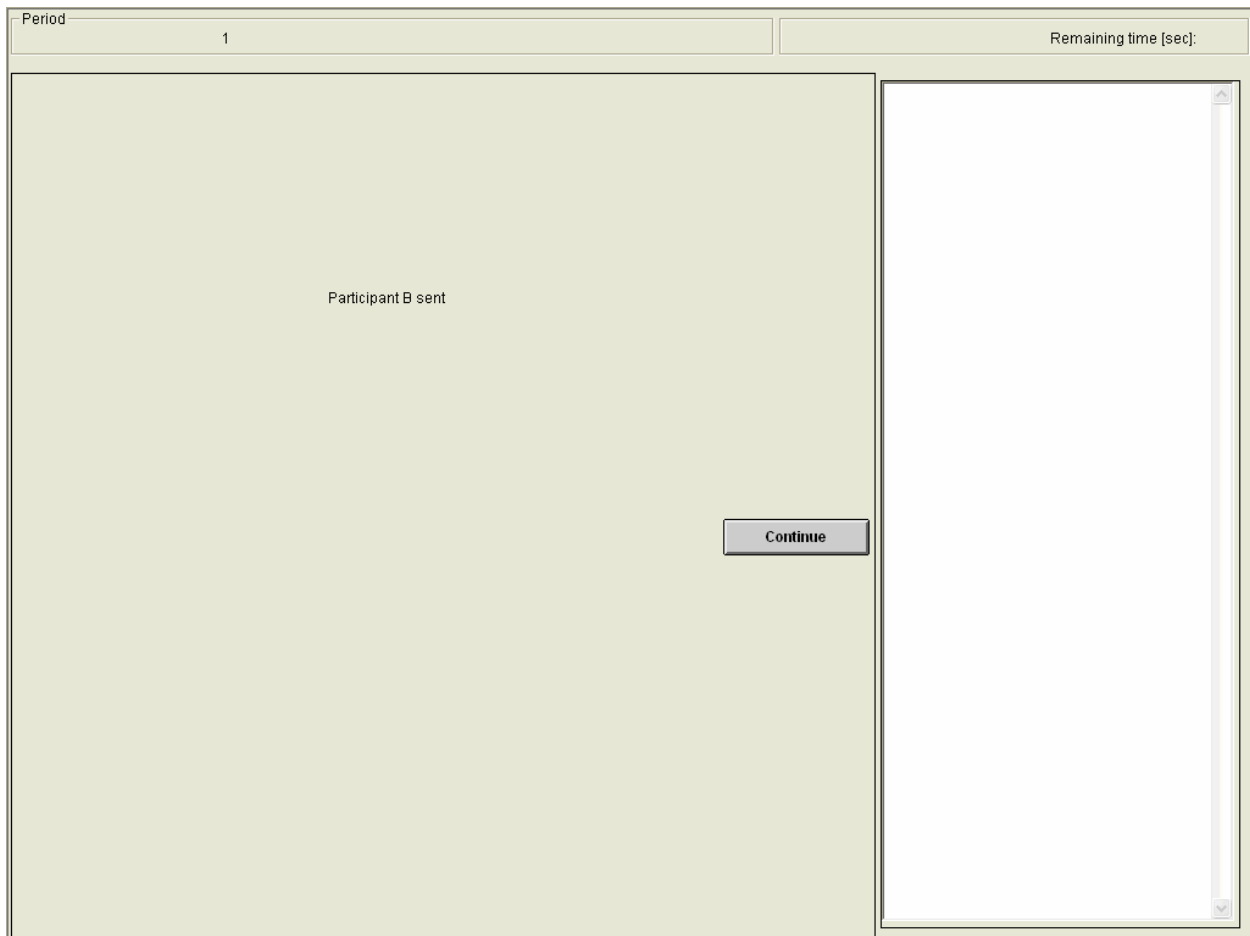


## Payoffs

In each round, the A-Player's payoff will be the amount that s/he retained and did not send to the B-Player plus the amount sent from the B-Player.

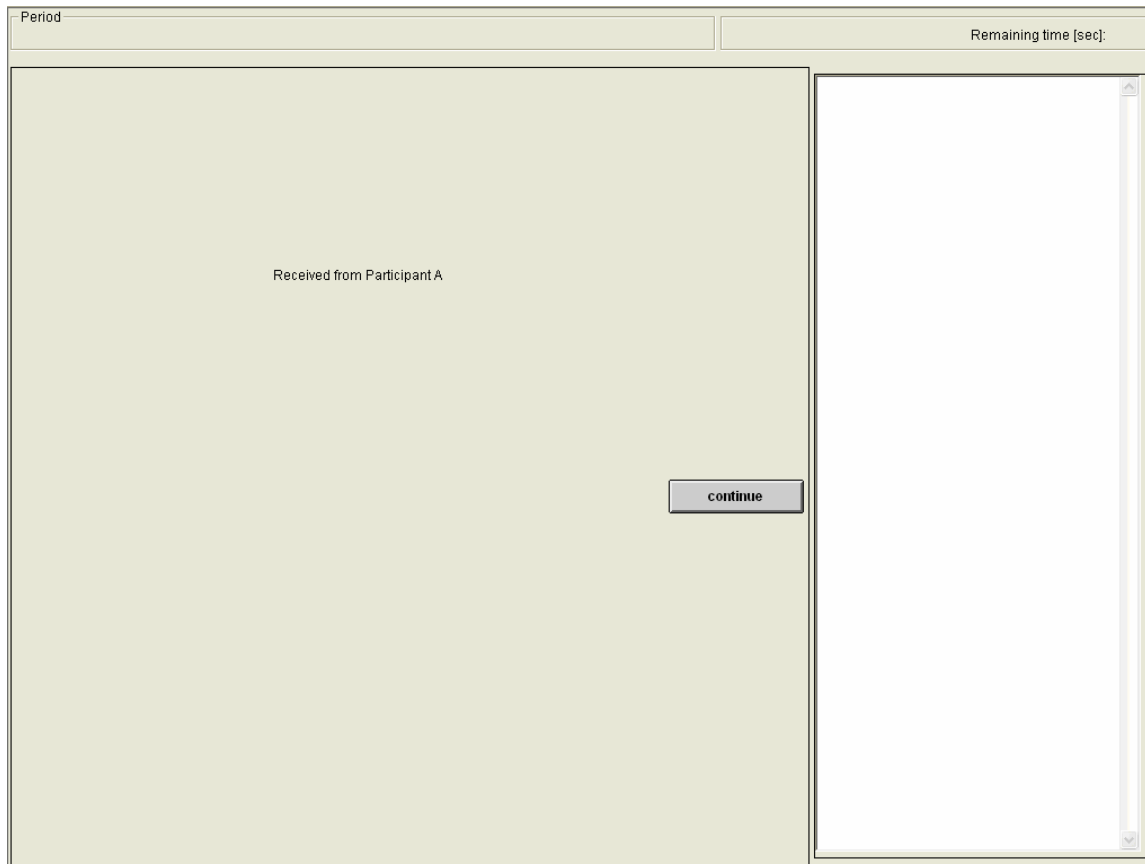
In each round, the B-Player's payoff will be the amount that s/he received minus the amount s/he sent to the A-Player.

Following each round, A-Players will receive the information presented on Screen 3, pictured below.



*Screen 3*

Following each round, B-Players will receive the information presented on Screen 4, pictured below.



*Screen 4*

### **Completion of Rounds**

After completing each round, the computer will proceed to the next round, which will be conducted identically to the last round.

Once all rounds have been completed each participant's total payoffs will be displayed. You will be paid your cumulative income at the completion of the session.