

## Instructions

You will now take part in a decision-making experiment. The amount you will receive for participating will depend on your choices and the choices of the player you are matched with. If you have a question at any time, please feel free to ask us. Please do not talk with the other participants during the experiment.

There are two types of players in this experiment, a Row Player and a Column Player. Roles are randomly assigned. Once you have been allocated a role, you will remain in the same role until the end of the experiment. In every round you will be randomly matched against a different player.

You will be matched with a random player and each of you must decide on an effort level you would like to exert. The effort will be exerted at a cost. The amount you earn from the round will be either the higher or the lower of the two efforts made (as pre-specified in the round) minus the cost incurred in making the effort.

For example, if one player decides to make effort 100 at cost  $0.5 \times 100$  and the other to make effort 200 at cost  $0.5 \times 200$ . If 200 is the amount awarded to both, the amount earned by the first player will be  $(200 - 50 = 150)$ , and the amount earned by the other player would be  $(200 - 100 = 100)$ .

The table shows final payoffs.

**You must choose only one option per round.** At the end of the experiment, we will randomly select 1 round. Rounds are chosen with equal probability. The payoffs from these rounds will be summed (100 points earned = Rs.200), together with a show-up fee of Rs.200, to represent your total earnings.

**Questions** (Note: Payoffs are different in the real experiment. This is just an Example)

1. You can exert an effort from the following – 10, 20, 30, 40. Cost of exerting an effort is  $(0.5 \times \text{Effort})$ .

		Opponent's Effort			
		10	20	30	40
My Effort	10	5	15	25	35
	20	10	10	20	30
	30	15	15	15	25
	40	20	20	20	20

What effort level would you like to choose?

- a) 10
- b) 20
- c) 30
- d) 40