J. Andreoni and J. Miller, (1993), « Rational cooperation in the finitely repeated prisoner's dilemma : experimental evidence », Economic Journal

Subject's Instructions

WELCOME

This experiment is a study of economic decision making. The instructions are simple. If you follow them carefully and make good decisions you may earn a considerable amount of money.

The money you earn will be paid to you, in cash, at the end of the experiment. A research foundation has provided the funds for this study.

The One-Round Decision

In this experiment you will be paired with one other player. You will be paired with this player through a computer network - at no time will your true identity be revealed to the other participants. The other player, like yourself, was recruited from an economics course at the UW.

Both you and the other player will have two possible choices. You can choose *LEFT* or you can choose *RIGHT*. If you both choose *LEFT* you will both get a payoff of 7 cents. If you both choose *RIGHT* you will both get a payoff of 4 cents. If you choose *RIGHT* but the other player chooses LEFT, you will get a payoff of 12 cents, but the other player will receive 0 cents. Likewise, if you choose *LEFT* but the other player chooses *RIGHT*, then you receive o cents and the other player receives I 2 cents. These payoffs are summarized in the table below. The **bold** number in the top portion of each box is the payment received by you, the number in the bottom is the payment received by the other player:

		Payoff From Your Move	
		LEFT	**RIGHT**
Other Player's Payoff	LEFT	7;**7**	0;**12**
	RIGHT	12;**0**	4;**4**

When choosing your move, you *will <u>not</u>* know the choice of the other player. You must make your choice *without* knowing what the other player will choose. After all players in the experiment have made their choices, the computer will report to you the move chosen by the other player and your payoff from *this round* of play.

Sets of Rounds

You will play the one-round game just described in 10 one-round sets. That is, each set of play will consist of 10 one-round games. To begin a set of rounds, the computer will randomly match you with another player in the room. *You will then play the one-round game just described with the same player for a total of 10 rounds*. That is, all 10 rounds in the set will be played with the same other player.

After the 10th round a new set will begin. The computer will randomly reassign you to play with another player: *every 10 rounds you will be randomly reassigned to a new subject*. You will **never** be assigned to play with the same person for more than 10 rounds.

Reminder: *During each 10-round set, you will be playing each one-round game with the same other player for all 10 rounds*.

At the end of each round, the computer will tell you your move in the last round, the other player's move, and your earnings from that round. At the end of each set, the computer will tell you your total earnings for the entire 10-round set.

We will play this game for a total of 20 sets of 10 rounds each. That is, there will be 20 sets, and each will have 10 decision rounds. Thus, during the course of the experiment you will play a total of 200 one-round games.

Computer Players

At the beginning of every set there is a chance that you will be randomly paired with a computer player, rather than a fellow participant in the experiment. For every 10-round set, the chance that you will be paired with a computer player is 1/2. That is, there is a 50 % chance that you will be assigned the computer player. If you are not paired with the computer, you will be matched with another person in the experiment.

Computer Moves

The computer player is always programmed to use a very simple 'copy cat' rule. The computer will start every 10-round set by choosing *LEFT*. After that the computer will make the same choice that you made on the previous round. For example, if you choose *LEFT* on round i, the computer will choose *LEFT* on round 2. If you choose *RIGHT* on round 2, the computer will choose *RIGHT* on round 3. And so on.

Confidentiality

Your identity in the experiment will not be made known to any other participant at any time in the experiment. *Your decisions and payoffs are confidential*.

Do not discuss your choices or payoffs with any other player!
Thank you and Good Luck!