

Erat, S. and Gneezy, U. (2012), White lies. Management Science

A. Instructions for Player 1 (Sender)

Welcome to our short experiment. Please read these instructions carefully. You may earn a considerable sum of money, depending on the decisions you make in the experiment. We will randomly choose 1 participant out of 20 and pay this person next week. The rest of the instructions describe what the procedure will be should you be chosen.

You will be matched randomly with another participant in this experiment. Neither of you will know the identity of the other.

Before starting this experiment, we have rolled a 6-sided die, and obtained the outcome 2. The other participant will not be informed that the outcome of the die roll was 2. However, he or she will be told that you have been informed the outcome of the die roll.

We now ask you to send a message to the other participant. The message will correspond to a number from 1 to 6. There are six possible messages:

Message 1: "The outcome from the roll of the 6-sided die is 1."

Message 2: "The outcome from the roll of the 6-sided die is 2."

Message 3: "The outcome from the roll of the 6-sided die is 3."

Message 4: "The outcome from the roll of the 6-sided die is 4."

Message 5: "The outcome from the roll of the 6-sided die is 5."

Message 6: "The outcome from the roll of the 6-sided die is 6."

Your message will be shown to the other participant, and then he or she will be asked to choose a number between 1 and 6.

The choice of the number by the other participant will determine the payments in the experiment.

- If he or she chooses the actual outcome of the roll of the dice, 2, then you will receive \$20 and he or she will receive \$20.
- If he or she chooses a number different than the actual outcome, you will receive a \$X and he or she will receive \$Y.

Finally, only you will be informed of the particular monetary value connected to each message. The other participant will not be informed of these monetary values. However, he or she will be told that you have been informed of the monetary value connected to each message. The message I will send is "The outcome from the roll of the 6-sided die is ___."

Treatment	X	Y
T[-1;10]	19	30
T[1;10]	21	30
T[10;10]	30	30
T[1;-5]	21	15
T[10;0]	30	20

Instructions for Player 2 (Receiver)

Welcome to our short experiment. Please read these instructions carefully. You may earn a considerable sum of money, depending on the decisions you make in the experiment.

You will be matched randomly with another participant in this experiment. Neither of you will know the identity of the other.

Before starting this experiment, we have rolled a 6-sided die, and told the outcome of it to the other participant, but we are not going to tell it to you.

After being informed of the roll of the die, the other participant has sent a message to you. The message corresponds to a number from 1 to 6. There are six possible messages:

Message 1: "The outcome from the roll of the die is 1."

Message 2: "The outcome from the roll of the die is 2."

Message 3: "The outcome from the roll of the die is 3."

Message 4: "The outcome from the roll of the die is 4."

Message 5: "The outcome from the roll of the die is 5."

Message 6: "The outcome from the roll of the die is 6."

The message the other participant sent is as follows:

Message: "The outcome from the roll of the 6-sided die is ___."

Now we ask you to choose a number between 1 and 6. The message you received is the only information you will have regarding the roll of the die. Your choice of a number will

determine the payments in the experiment according to two different options (option A and option B), known only to the other participant.

If you will choose the same number as the number that came up in the roll of the die, both of you will be paid according to option A. If you will choose a number different than the actual number, you will both be paid according to option B.

Do you have any questions?

The number I choose is ___.

B. Instructions for Player 1 (Sender)

Welcome to our short experiment. Please read these instructions carefully. You may earn a considerable sum of money, depending on the decisions you make in the experiment. We will randomly choose 1 participant out of 20 and pay this person next week. The rest of the instructions describe what the procedure will be should you be chosen.

You will be matched randomly with another participant in this experiment. Neither of you will know the identity of the other.

Before starting this experiment, we have rolled a 6-sided die, and obtained the outcome 2. The other participant will not be informed that the outcome of the die roll was 2. However, he or she will be told that you have been informed the outcome of the die roll.

For each of the payment possibilities, we now ask you to send a message to the other participant. The message will correspond to a number from 1 to 6. There are six possible messages:

Message 1: "The outcome from the roll of the 6-sided die is 1."

Message 2: "The outcome from the roll of the 6-sided die is 2."

Message 3: "The outcome from the roll of the 6-sided die is 3."

Message 4: "The outcome from the roll of the 6-sided die is 4."

Message 5: "The outcome from the roll of the 6-sided die is 5."

Message 6: "The outcome from the roll of the 6-sided die is 6."

Your message will be shown to the other participant, and then he or she will be asked to choose a number between 1 and 6.

The choice of the number by the other participant will determine the payments in the experiment.

Payment possibility #1

- If he or she chooses the actual outcome of the roll of the dice, 2, then you will receive \$20 and he or she will receive \$20.
- If he or she chooses a number different than the actual outcome, you will receive \$19 and he or she will receive \$30.

The message I will send in this payment option is:

"The outcome from the roll of the 6-sided die is ___."

(Please fill in a number from 1 to 6.)

Payment possibility #2

- If he or she chooses the actual outcome of the roll of the dice, 2, then you will receive \$20 and he or she will receive \$20.
- If he or she chooses a number different than the actual outcome, you will receive \$30 and he or she will receive \$30.

The message I will send in this payment option is

"The outcome from the roll of the 6-sided die is ___."

(Please fill in a number from 1 to 6.)

Payment possibility #3

- If he or she chooses the actual outcome of the roll of the dice, two, then you will receive \$20 and he or she will receive \$20.
- If he or she chooses a number different than the actual outcome, you will receive \$21 and he or she will receive \$30.

The message I will send in this payment option is

"The outcome from the roll of the 6-sided die is ___."

(Please fill in a number from 1 to 6.)

Payment possibility #4

- If he or she chooses the actual outcome of the roll of the dice, 2, then you will receive \$20 and he or she will receive \$20.

- If he or she chooses a number different than the actual outcome, you will receive a \$21 and he or she will receive \$15.

The message I will send in this payment option is

"The outcome from the roll of the 6-sided die is ___."

(Please fill in a number from 1 to 6.)