Welcome to CASSEL and thank you for participating in today’s experiment.

Please put away your personal belongings, so we can have your complete attention.

It is very important you do not touch the computer until you are instructed to do so. When you are told to use the computer, please use it only as instructed. In particular do not attempt to browse the web or use programs unrelated to the experiment.

Raise your hand if you need a pen.
The Experiment

• Today’s experiment is on matching.
• You will be paid in cash. Each of you may earn different amounts: how much you earn depends on your own and others’ decisions.
• You will be using the computer for the entire experiment, and all interactions between yourself and others will be through the computer terminals.
• Please **do not** socialize or talk.
Computer Instructions

- We will go through this computer practice session very slowly and it is important that you follow the instructions.
- If you have any questions, raise your hand and your question will be answered so that everyone can hear.
- Again, please do not hit any keys until you are told to do so, and when you are told to enter information, type exactly what you are told to type.
Start Program

- Click on icon GS to start.
Logon Screen

- Type your first and last name.
- Then click Submit.
• You should now see the experimental interface.
Matching

A match = $ payment
Matching

- In each round you will randomly be assigned a type: either a **color** or a **food**.
- There will be 8 **colors** and 8 **foods** in your group.
- You will try to match with a member of the opposite group.
- For example, if you are color **blue** you may match with foods **apple**, **banana**, etc.
- You derive different payoffs from different matches.
- In each round of the experiment you will see all payoffs from each possible matching.
Interface

Screen is divided into several sections.
Interface

- Type
- Clock
Payoffs

<table>
<thead>
<tr>
<th></th>
<th>apple</th>
<th>banana</th>
<th>kiwi</th>
<th>cherry</th>
<th>mango</th>
<th>pear</th>
<th>grape</th>
<th>peach</th>
</tr>
</thead>
<tbody>
<tr>
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<td>20, 2</td>
<td>30, 3</td>
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<td>430, 43</td>
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<td>460, 46</td>
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<td><strong>550, 55</strong></td>
<td><strong>560, 56</strong></td>
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<tr>
<td>orange</td>
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<td>590, 59</td>
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<td>610, 61</td>
<td>620, 62</td>
<td>630, 63</td>
<td>640, 64</td>
</tr>
</tbody>
</table>

- On the left is a table with payoffs from each match.
- Suppose you are color cyan.
- If you matched with food kiwi, your payoff is 510 cents, kiwi’s is 51 cents.
• To summarize, in each round, if you match with someone, you receive the corresponding payoff from the table in cents.

• If you match with no one, your payoff in that round is 0.
• In each round **Foods’** and **Colors’** decisions are taken in **turns**. In each turn,
  • **Foods** make offers.
  • **Colors** respond to those offers.
Taking Turns

**Foods** and **colors** alternate making decisions.

1st **Foods** make offers
2nd **Colors** respond
3rd **Foods** make offers
4th **Colors** respond
etc.
Taking turns

Only **foods** can make offers.

**Foods cannot** repeat an offer.
Example: if **apple** makes an offer to **blue** and is rejected, then **apple** cannot make another offer to **blue** for the duration of the round.
Taking turns

Only **foods** can make offers.

**Foods** **cannot** repeat an offer.
Example: if **apple** makes an offer to **blue** and is rejected, then **apple** cannot make another offer to **blue** for the duration of the round.

- Only **foods** who are not matched make offers
- Once offers are made they are shown to **colors**
- All **colors** must decide on offers
- Rejected **foods** make new offers.
Taking Turns

- In the first turn **foods** make offers.
- **Colors** can then accept one offer as their match.
- Unmatched **foods** make another offer in the next turn.
- Matches can be broken by **colors** accepting a new offer.
- The round stops and the matches made when:

  Either: everyone is matched
  
  Or: no offers are left to make
  
  Or: no offers are made in a turn.
Taking Turns

If you are a **food** you get 30sec to make an offer.

If you are a **color** you get 25sec to decide on offers (after the **foods** have made offers).
Foods: Making Offers

<table>
<thead>
<tr>
<th></th>
<th>red</th>
<th>blue</th>
<th>yellow</th>
<th>green</th>
</tr>
</thead>
<tbody>
<tr>
<td>apple</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>kiwi</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>banana</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cherry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

- If you are a **food** you can make an offer by clicking on a **color’s** name.
- If you cannot make someone an offer, name will not be clickable.
Foods: Making Offers

- You will not be able to make an offer if:

**Either:** You are currently matched to a **color**.

**Or:** You previously made an offer to that **color**.

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<td>2, 20</td>
<td>10, 100</td>
<td>18, 180</td>
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<td>42, 420</td>
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Confirmation dialogue

Offer Dialog

Make an offer To 'kiwi'

Yes  No
Colors: Receiving Offers

- If you are a color, you may receive offers from multiple foods.
- You can reject or accept any of your offers.
- The last one you accept is your decision for the turn.
- Example:
  - Say you accept first apple, and then kiwi. You implicitly reject apple.
  - You would then be matched with kiwi.
  - Since rejected, apple cannot make you another offer in this round.
Colors: Receiving Offers

Acceptance/rejection dialogue
Colors: Receive Multiple Offers

Accept an offer from 'apple'?

Accept  Reject

Accept an offer from 'kiwi'?

Accept  Reject

Accept an offer from 'cherry'?

Accept  Reject
Accepted offer:

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Only seen by the matched pair (banana and magenta).
Important!

- Only **foods** make offers.
- Previous matches are broken if a **color** accepts a new offer.
- Payoffs for each round are computed from the final match in cents.
- The match for the round is made if:
  
  *Either:* everyone is matched.
    - *Or:* no offers are left to make.
    - *Or:* no offers for one turn.
End of a Round—Recording

At the end of each round, please record the details of that round on the provided sheet.
To ensure your privacy and the privacy of others in the experiment, please pull out the dividers as far as they will go.

If there are no questions, we will now begin the actual experiment.

Good Luck!