



Sample instructions for the experiments in Zurich

Instructions for participants

Welcome to this economic experiment, which examines how people make decisions about the allocation of monetary amounts. Your decision has **true consequences for you and for the other participants of this experiment**. Diverse research support centers fund this study.

Communication between the participants is absolutely forbidden during the experiment. If you have questions, please raise your hand. We will come to you and answer your questions.

You must make **three decisions** in the experiment. There is an individual decision sheet for each one, on which you must enter your decision. Therefore, there are **three decision sheets**. Two other students from this lecture have been assigned to you for each decision sheet. Each decision involves the allocation of monetary amounts for you and for the other students. At the end of the experiment, one of the three decision sheets will be randomly chosen, and therefore becomes relevant for the payment to you and the other students. For this reason, please take each of the decisions seriously, as any of them could become relevant. When you have made all three decisions, please complete the following questionnaire as well.

You have three different decision alternatives on each decision sheet; we refer to these alternatives as A, B, and C. You must choose one of these three alternatives. Each decision alternative involves giving yourself and both other persons a certain monetary amount. The other persons do not have to make any decision. **You alone decide on the allocation of monetary amounts to yourself and the other persons. You play the role of person 2.** The other persons are referred to as person 1 and person 3.

The experiment is completely anonymous. You will not be informed of the other persons' identities, nor do they know your identity. Neither Professor Groscurth nor anybody else will learn of your decisions.

Please make your decisions **alone**, without informing your neighbor or discussing them. Your individual decisions are important to us. After you have made your decisions and completed your questionnaire, please fold this document once and deposit it in the box which the experimenters have prepared. This will guarantee your anonymity.

The money you earn in this experiment will be paid out when you turn in the decision sheets. Thus, when you turn in the decision sheet, a lot will determine which of the three decision sheets is relevant for you. The other participants will receive the monetary amount you choose for them in the central cafeteria at the Irchel campus of the University of Zurich on April 14, from noon to 12.15 p.m.



Decision sheet 1

Your task is to select one of the three possible monetary allocations referred to as A, B, and C.

For monetary allocation A, person 1 receives CHF 14, you receive CHF 4, and person 3 receives CHF 5.

For monetary allocation B, person 1 receives CHF 11, you receive CHF 4, and person 3 receives CHF 6.

For monetary allocation C, person 1 receives CHF 8, you receive CHF 4, and person 3 receives CHF 7.

Please select the possible monetary allocation by checking the appropriate column.

Monetary allocations

	A	B	C
Person 1	CHF 14	CHF 11	CHF 8
Person 2 (you)	CHF 4	CHF 4	CHF 4
Person 3	CHF 5	CHF 6	CHF 7
Your decision Please check the desired column	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average payment to persons 1 and 3	CHF 9.50	CHF 8.50	CHF 7.50
Total payment to all three persons	CHF 23	CHF 21	CHF 19



Decision sheet 2

Your task is again to select one of the three possible monetary allocations referred to as A, B, and C. Please take note that alternatives A, B, and C have been altered in this decision situation. Person 1 and person 3 are different than in the earlier decision.

For monetary allocation A, person 1 receives CHF 21, you receive CHF 9, and person 3 receives CHF 3.

For monetary allocation B, person 1 receives CHF 17, you receive CHF 9, and person 3 receives CHF 4.

For monetary allocation C, person 1 receives CHF 13, you receive CHF 4, and person 3 receives CHF 5.

Please select the possible monetary allocation by checking the appropriate column.

Monetary allocations

	A	B	C
Person 1	CHF 21	CHF 17	CHF 13
Person 2 (you)	CHF 9	CHF 9	CHF 9
Person 3	CHF 3	CHF 4	CHF 5
Your decision Please check the desired column	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average payment to persons 1 and 3	CHF 12.00	CHF 10.50	CHF 9.00
Total payment to all three persons	CHF 33	CHF 30	CHF 27



Decision sheet 3

Your task is again to select one of the three possible monetary allocations referred to as A, B, and C. Please take note that alternatives A, B, and C have also been altered in this decision situation. Person 1 and person 3 are different than in the earlier decision.

For monetary allocation A, person 1 receives CHF 11, you receive CHF 12, and person 2 receives CHF 2.

For monetary allocation B, person 1 receives CHF 8, you receive CHF 12, and person 3 receives CHF 3.

For monetary allocation C, person 1 receives CHF 5, you receive CHF 12, and person 3 receives CHF 4.

Please select the possible monetary allocation by checking the appropriate column.

Monetary allocations

	A	B	C
Person 1	CHF 11	CHF 8	CHF 5
Person 2 (you)	CHF 12	CHF 12	CHF 12
Person 3	CHF 2	CHF 3	CHF 4
Your decision Please check the desired column	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average payment to persons 1 and 3	CHF 6.50	CHF 5.50	CHF 4.50
Total payment to all three persons	CHF 25	CHF 23	CHF 21



Please answer the following questions. All your answers – in the same way as your decisions – will be kept completely anonymous.

Question 1

You probably had the subject "economics and law" as a mandatory course for your high school degree. Did you also take "economics and law" as a **major**?¹

Yes, I took "economics and law" as a major.

No

Question 2

University major and number of semesters attended:

Medicine (pre-clinical)

Dentistry

Veterinary medicine

How many semesters have you completed?

Other:

Question 3

What do you think: What occupation would you like to have after graduation?

*Please describe the occupation **exactly**; don't say "doctor", for example, but "ophthalmologist". Don't say "manager", but "director of a small business". Please respond, even if it is only a wish or a rough idea. If you don't know yet, however, please give that as an answer.*

Please write in block capitals:

¹ Translator's note: In Switzerland, students must declare a major in high school. The high school diploma corresponds to an advanced placement high school diploma in the US.



Question 8

Please consider the following situation:

- Person A earns a net income of CHF 15'000 per month
- Person B earns a net income of CHF 2'500 per month

The government is considering a tax reform that will place heavier tax demands on Person A while granting Person B tax relief. The additional tax burden for Person A amounts to CHF 800 per month. As any tax reform costs money, it is possible that Person B will not receive tax relief for the entire CHF 800. How great must the tax relief for Person B be before you can support this tax reform?

I do not support the tax reform in any case

→ *Skip to question 9*

I support the tax reform if Person B receives the following tax relief –

- CHF 800 per month
- CHF 650 per month.....
- CHF 500 per month.....
- CHF 350 per month.....
- CHF 200 per month.....

Is true

Is not true

Question 9

What was your father's occupation when you were 15 years old?

*Please describe his **exact** occupation (including branch), for example, not "businessman", but "bank customer advisor", not "blue collar worker", but "industrial locksmith". If he was a public employee, please give an exact description, such as "policeman" or "primary school teacher". Please also indicate if your father had already died, was a pension recipient, was unemployed, or if you do not know.*

Please write in block capitals:

Question 10

What do you think: How many close friends do you have?

close friends

