Appendix B: Experimental Instructions

B.1 Experimental Instructions of Experiment 1

GENERAL INSTRUCTIONS

Welcome to our study on decision making. The descriptions of the study contained in this experimental instrument will be implemented fully and faithfully.

You will go through 3 stages in this study. **Stage 1** (i.e., today) is a 2-hour study consisting of **3 sets** of tasks. The **first set** comprises **19 individual decision making tasks**. The **second set** is made up of **11 decision making tasks** involving other participants in this room. The **third set** consists of a **questionnaire**.

Stage 2 is an online study involving both decision making tasks and questionnaires. After completing stage 2, you can sign up for a 30-minute time slot **during 8 – 19 November** to participate in **Stage 3**. You will receive your **overall compensation** during Stage 3.

Each participant will **receive on average \$80** for participation in the study**.** Your **actual compensation** includes a **\$35 show up fee** in addition to **earnings** and **losses** based on how you and others make decisions**.**

All information provided will be kept CONFIDENTIAL. Information in the study including your personal information as well as your decisions will be used for research purposes only.

1. The set of decision making tasks and the instructions for each task are the **same** for all participants. Please refrain from discussing with anyone any aspect of the specific tasks during or after the study.

2. This experimental instrument is printed **double-sided**. Please go through the instructions **carefully** to understand the tasks fully and make informed decisions.

3. At any time**,** if you have questions, please **raise your hand.**

4. Please **do not communicate** with other participants during the experiment.

5. Cell phones and other electronic devices (**except for calculator functions**) are **not allowed**.

6. Today's session, i.e., Stage 1, will last about **two hours**.

This concludes the general instructions. Please go through the subsequent instructions by yourself and make your decisions carefully. Please raise your hand if you have questions.

IMPORTANT: *To participate in this study, you should have received a **confirmation message** from B2ESS Admin. Should this not be the case for you, please raise your hand.*

SET A – Individual Decision Making

<u>GENERAL INSTRUCTIONS</u>

This set comprises **19 decision sheets**. The **first 16** sheets are of the form illustrated in the table below.

	Option A	Option B	Decision
1	A	B1	A ☐ B ☐
2	A	B2	A ☐ B ☐
3	A	B3	A ☐ B ☐
4	A	B4	A ☐ B ☐
5	A	B5	A ☐ B ☐
6	A	B6	A ☐ B ☐
7	A	B7	A ☐ B ☐
8	A	B8	A ☐ B ☐
9	A	B9	A ☐ B ☐
10	A	B10	A ☐ B ☐

Each such table lists **10 choices** to be made between a fixed **Option A** and 10 different **Option B**'s arranged in an **ascending manner in terms of value** either in the **amount of money** (Deccision Sheets A1 – A13) or in the **probablity of receiving a higher money outcome** (Decision Sheets A14 – A16). For each row, you are asked to **indicate your choice** in the final "Decision" column – A or B – with a tick (√).

Decision Sheets **A17 and A18** each involves **one choice**. The last Decision Sheet (**A19**) involves **20 choices**.

Selection of decision sheet to be implemented: **One out of the first 18** Decision Sheets (*selected randomly by you*) will be implemented. Should the chosen sheet be from the first 16 decision sheets, **one of your 10 choices** will be further selected randomly and implemented.
For **Decision Sheet A19**, one participant in the room wil be randomly selected at the end of today's study and **one of his/her 20 choices** will be randomly selected and implemented.

You may now begin.

At any time during the study, should you have questions, please raise your hand. An experimenter will come to you and answer your questions individually.

DECISION SHEET A1

This situation involves your guessing the color – red or black – of a card drawn randomly from a deck of 20 cards, comprising **10 black** cards and **10 red** cards.

Option A: You guess the color – black or red – and then draw a card from the deck of 20 cards. If you make a correct guess, you receive $60; otherwise, you receive nothing. That is: **50% chance of receiving $60 and 50% chance of receiving $0.**

The **Option B** column lists **10 amounts** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	**Option B**	**Decision**
1	50% of receiving $60, 50% of receiving $0	Receiving $15 for sure	A ☐ B ☐
2	50% of receiving $60, 50% of receiving $0	Receiving $19 for sure	A ☐ B ☐
3	50% of receiving $60, 50% of receiving $0	Receiving $23 for sure	A ☐ B ☐
4	50% of receiving $60, 50% of receiving $0	Receiving $25 for sure	A ☐ B ☐
5	50% of receiving $60, 50% of receiving $0	Receiving $27 for sure	A ☐ B ☐
6	50% of receiving $60, 50% of receiving $0	Receiving $29 for sure	A ☐ B ☐
7	50% of receiving $60, 50% of receiving $0	Receiving $30 for sure	A ☐ B ☐
8	50% of receiving $60, 50% of receiving $0	Receiving $31 for sure	A ☐ B ☐
9	50% of receiving $60, 50% of receiving $0	Receiving $33 for sure	A ☐ B ☐
10	50% of receiving $60, 50% of receiving $0	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A---A

This situation involves your drawing randomly one card from a **deck of 20 cards <u>with unknown proportions of red and black cards</u>**.

Option A: Guess the color of a card to be drawn randomly by you from a deck of 20 cards with unknown proportions of red and black cards. You will **receive $60 if your guess is correct**; and **receive $0 otherwise**.

The **Option B** column lists **<u>10 amounts</u>** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	**Option B**	**Decision**
1	Betting on the color of a card drawn	Receiving $15 for sure	A ☐ B ☐
2	Betting on the color of a card drawn	Receiving $19 for sure	A ☐ B ☐
3	Betting on the color of a card drawn	Receiving $23 for sure	A ☐ B ☐
4	Betting on the color of a card drawn	Receiving $25 for sure	A ☐ B ☐
5	Betting on the color of a card drawn	Receiving $27 for sure	A ☐ B ☐
6	Betting on the color of a card drawn	Receiving $29 for sure	A ☐ B ☐
7	Betting on the color of a card drawn	Receiving $30 for sure	A ☐ B ☐
8	Betting on the color of a card drawn	Receiving $31 for sure	A ☐ B ☐
9	Betting on the color of a card drawn	Receiving $33 for sure	A ☐ B ☐
10	Betting on the color of a card drawn	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A---A1

This situation involves your drawing randomly one card from a deck of 20 cards with unknown proportions of red and black cards.

Option A: Guess the color of a card drawn randomly from a deck of 20 cards with unknown proportions of red and black cards. **The deck has at least 5 red cards and at least 5 black cards.** You will **receive $60 if your guess is correct**; **and receive nothing otherwise**.

The **Option B** column lists **10 amounts** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	**Option B**	**Decision**
1	Betting on the color of a card drawn	Receiving $15 for sure	A ☐ B ☐
2	Betting on the color of a card drawn	Receiving $19 for sure	A ☐ B ☐
3	Betting on the color of a card drawn	Receiving $23 for sure	A ☐ B ☐
4	Betting on the color of a card drawn	Receiving $25 for sure	A ☐ B ☐
5	Betting on the color of a card drawn	Receiving $27 for sure	A ☐ B ☐
6	Betting on the color of a card drawn	Receiving $29 for sure	A ☐ B ☐
7	Betting on the color of a card drawn	Receiving $30 for sure	A ☐ B ☐
8	Betting on the color of a card drawn	Receiving $31 for sure	A ☐ B ☐
9	Betting on the color of a card drawn	Receiving $33 for sure	A ☐ B ☐
10	Betting on the color of a card drawn	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A---A2

This situation involves your drawing randomly one card from a deck of 20 cards **with unknown proportions of red and black cards**.

Option A: Guess the color of a card drawn randomly from a deck of 20 cards with unknown proportions of red and black cards. The deck has **either at least 15 black cards** (not more than 5 red cards) **or at least 15 red cards** (not more than 5 black cards)**.** You will **receive $60 if your guess is correct; and $0 otherwise**.

The **Option B** column lists **10 amounts** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows in the table below, please indicate your decision in the final column with a tick (√).

	Option A	Option B	Decision
1	Betting on the color of a card drawn	Receiving $15 for sure	A ☐ B ☐
2	Betting on the color of a card drawn	Receiving $19 for sure	A ☐ B ☐
3	Betting on the color of a card drawn	Receiving $23 for sure	A ☐ B ☐
4	Betting on the color of a card drawn	Receiving $25 for sure	A ☐ B ☐
5	Betting on the color of a card drawn	Receiving $27 for sure	A ☐ B ☐
6	Betting on the color of a card drawn	Receiving $29 for sure	A ☐ B ☐
7	Betting on the color of a card drawn	Receiving $30 for sure	A ☐ B ☐
8	Betting on the color of a card drawn	Receiving $31 for sure	A ☐ B ☐
9	Betting on the color of a card drawn	Receiving $33 for sure	A ☐ B ☐
10	Betting on the color of a card drawn	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A**-C**

This situation involves drawing a card from a **deck of 20 cards containing black and red cards**. The number of red cards is to be determined by your drawing randomly a ticket from an envelope containing 21 tickets numbered 0 to 20. The number drawn will determine the number of red cards in the deck. **Before** drawing the numbered ticket, you have the following options.

Option A: Guess the color of a card to be drawn randomly by you from **the deck of 20 cards to be constructed by you as decribed above**. You **will receive $60 if your guess is correct**; and **receive $0 otherwise**.

The **Option B** column lists **10 amounts** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	**Option B**	**Decision**
1	Betting on the color of a card drawn	Receiving $15 for sure	A ☐ B ☐
2	Betting on the color of a card drawn	Receiving $19 for sure	A ☐ B ☐
3	Betting on the color of a card drawn	Receiving $23 for sure	A ☐ B ☐
4	Betting on the color of a card drawn	Receiving $25 for sure	A ☐ B ☐
5	Betting on the color of a card drawn	Receiving $27 for sure	A ☐ B ☐
6	Betting on the color of a card drawn	Receiving $29 for sure	A ☐ B ☐
7	Betting on the color of a card drawn	Receiving $30 for sure	A ☐ B ☐
8	Betting on the color of a card drawn	Receiving $31 for sure	A ☐ B ☐
9	Betting on the color of a card drawn	Receiving $33 for sure	A ☐ B ☐
10	Betting on the color of a card drawn	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A---C1

This situation involves your drawing a card randomly from **a deck of 20 cards** containing red and black cards. The composition of this card deck is determined as follows. You draw one ticket from an envelope containing 8 tickets numbered 1 to 8. **If the ticket drawn is 1 to 5**, then the deck will have **16 red cards** and **4 black cards**. Otherwise, **all 20 cards in the deck will have be black cards**.

Option A: Draw a card from the deck of cards constructed in the above described manner. If you **draw a red card, you receive $60**. **Otherwise, you receive $0**.

The **Option B** column lists **10 amounts** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	**Option B**	**Decision**
1	Betting on the cards	Receiving $15 for sure	A ☐ B ☐
2	Betting on the cards	Receiving $19 for sure	A ☐ B ☐
3	Betting on the cards	Receiving $23 for sure	A ☐ B ☐
4	Betting on the cards	Receiving $25 for sure	A ☐ B ☐
5	Betting on the cards	Receiving $27 for sure	A ☐ B ☐
6	Betting on the cards	Receiving $29 for sure	A ☐ B ☐
7	Betting on the cards	Receiving $30 for sure	A ☐ B ☐
8	Betting on the cards	Receiving $31 for sure	A ☐ B ☐
9	Betting on the cards	Receiving $33 for sure	A ☐ B ☐
10	Betting on the cards	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A---N

This situation involves guessing whether the trailing digit *(to the first decimal place)* of the highest temperature (°C) on a historical date in **<u>Singapore</u>** was **odd or even**.

The **<u>historical date</u>** is:

The temperature in Singapore for this historical date is based on the temperatures reported in http://www.tutiempo.net/en/Climate/ to the first decimal place.

Option A: Guess whether the trailing digit *(to the first decimal place)* of the highest temperature (°C) on the above **historical date** in **Singapore** was odd or even. You **receive $60 if your guess is correct**; and nothing otherwise.

Please write down **your guess**:   odd ☐   even ☐.

The **Option B** column lists **<u>10 amounts</u>** *(displayed in an ascending manner)* each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	Option B	Decision
1	Betting on Singapore Temperature	Receiving $15 for sure	A ☐ B ☐
2	Betting on Singapore Temperature	Receiving $19 for sure	A ☐ B ☐
3	Betting on Singapore Temperature	Receiving $23 for sure	A ☐ B ☐
4	Betting on Singapore Temperature	Receiving $25 for sure	A ☐ B ☐
5	Betting on Singapore Temperature	Receiving $27 for sure	A ☐ B ☐
6	Betting on Singapore Temperature	Receiving $29 for sure	A ☐ B ☐
7	Betting on Singapore Temperature	Receiving $30 for sure	A ☐ B ☐
8	Betting on Singapore Temperature	Receiving $31 for sure	A ☐ B ☐
9	Betting on Singapore Temperature	Receiving $33 for sure	A ☐ B ☐
10	Betting on Singapore Temperature	Receiving $35 for sure	A ☐ B ☐

DECISION SHEET A---N1

This situation involves guessing whether the trailing digit *(to the first decimal place)* of the highest temperature (°C) on a historical date in **Istanbul** was **odd or even**.

The **historical date** is:

The temperature in Istanbul for this historical date is based on the temperatures reported in http://www.tutiempo.net/en/Climate/ to the first decimal place.

Option A: Guess whether the trailing digit *(to the first decimal place)* of the highest temperature (°C) on the above **historical date** in **Istanbul** was odd or even. You **receive $60 if your guess is correct**; and nothing otherwise.

Please write down **your guess:**   odd ☐   even ☐.

The **Option B** column lists **10 amounts** (*displayed in an ascending manner*) each corresponding to what you will receive for sure if you choose this option.

DECISION: For each of the 10 rows, please indicate your decision in the final column with a tick (√).

	Option A	Option B	Decision
1	Betting on Istanbul Temperature	Receiving $15 for sure	A ☐ B ☐
2	Betting on Istanbul Temperature	Receiving $19 for sure	A ☐ B ☐
3	Betting on Istanbul Temperature	Receiving $23 for sure	A ☐ B ☐
4	Betting on Istanbul Temperature	Receiving $25 for sure	A ☐ B ☐
5	Betting on Istanbul Temperature	Receiving $27 for sure	A ☐ B ☐
6	Betting on Istanbul Temperature	Receiving $29 for sure	A ☐ B ☐
7	Betting on Istanbul Temperature	Receiving $30 for sure	A ☐ B ☐
8	Betting on Istanbul Temperature	Receiving $31 for sure	A ☐ B ☐
9	Betting on Istanbul Temperature	Receiving $33 for sure	A ☐ B ☐
10	Betting on Istanbul Temperature	Receiving $35 for sure	A ☐ B ☐

B.2 Experimental Instructions for Experiment 2

GENERAL INSTRUCTIONS

Thank you for participating in this study on decision making. This study is expected to take up around 30 minutes of your time. All information collected in this experiment will be kept confidential and used only for research purposes.

Payment: You will initially be credited with a participation fee of CNY60. You will then make a number of decisions. One of your decisions will be randomly selected and implemented in a public drawing (more details are provided near the bottom of the page). The payoff from implementing this decision will determine your overall compensation. Some of the decisions involve your receiving some amount of money while other involve your losing some amount of money. Should the randomly selected decision involve receiving money, the specific amount of money will be added to the CNY60 participation fee. Otherwise, if the randomly selected decision involves losing money, the specific amount of money will be deducted the CNY12 participation fee.

Decision Sheet: This study comprises of 20 decision sheets illustrated in the table below. Each table lists 21 choices to be made between a fixed Option A and varying Option B's arranged in increasing amounts of money. For each row, you are asked to indicate your choice - either Option A or B.

In the example below, you choose Option A when the amount of money in Option B (B1 to B11) less than or equals to B11, and you choose Option B (B12 to B21) when the amount of money in Option B is bigger than B11.

	Option A	Option B	Decision
1	A	B1	A ☑ B ☐
2	A	B2	A ☑ B ☐
3	A	B3	A ☑ B ☐
4	A	B4	A ☑ B ☐
5	A	B5	A ☑ B ☐
6	A	B6	A ☑ B ☐
7	A	B7	A ☑ B ☐
8	A	B8	A ☑ B ☐
9	A	B9	A ☑ B ☐
10	A	B10	A ☑ B ☐
11	A	B11	A ☑ B ☐
12	A	B12	A ☐ B ☑
13	A	B13	A ☐ B ☑
14	A	B14	A ☐ B ☑
15	A	B15	A ☐ B ☑
16	A	B16	A ☐ B ☑
17	A	B17	A ☐ B ☑
18	A	B18	A ☐ B ☑
19	A	B19	A ☐ B ☑
20	A	B20	A ☐ B ☑
21	A	B21	A ☐ B ☑

Option A : Throughout the experiment, you will encounter eight types of option A, as described below.

1) Type RI1: Option A involves taking a card from a stack of 10 cards and guessing the parity (even or odd) of the extracted cards. The composition of these 10 cards are *known*: 5 odd numbers and 5 even numbers (read each task description for details).

2) Type RI2: Option A involves taking a card from a stack of 10 cards and guessing the specific number (1, 2, 3, ..., 10) of the drawn cards. The composition of these 10 cards are *known*: each deck contains one and only one of each number 1, 2, 3, ..., 10 (read each task description for details).

3) Type AM1: Option A involves taking a card from a stack of 10 cards and guessing the parity (even or odd) of the drawn cards. The composition of these 10 cards are unknown: they may be even and odd in any proportion (read each task description for details).

4) Type AM2: Option A involves taking a card from a stack of 10 cards and guessing the specific number of cards (1, 2, 3, ..., 10). The composition of these 10 cards are unknown: each number 1, 2 ,3 , ..., 10 may take up any proportion of the deck (read each task description for details).

5) Type CO1: Option A involves taking a card from a stack of 10 cards and guessing the parity (even or odd) of the drawn card. These 10 cards are composed as follows. Given another 10 deck cards, each deck is composed of 5 odd 5 even numbers. A new deck is constructed by drawing 1 card from each of these 10 decks (read each task description for details).

6) Type CO2: Option A involves taking a card from a stack of 10 cards and guessing the specific number (1, 2, 3, ..., 10) of the drawn card. These 10 cards are composed as follows. Given another 10 deck cards, each deck is composed of cards numbered 1, 2, 3, ..., 10. A new deck is constructed by drawing 1 card from each of these 10 decks (read each task description for details).

7) Type NA1: Option A involves you guessing the parity (odd or even) of the second decimal digit of the closing price of the Tehran Stock Index (http://www.tse.ir/en/) on June 26.

8) Type NA2: Option A involves you guessing the second decimal digit of the closing price of the Tehran Stock Index (http://www.tse.ir/en/) on June 26.

In some cases, you receive some amount of money if you guess correctly. In other cases, you lose some amount of money if you guess correctly. In each decision sheet, we will be explicit about whether you are to guess the parity or the specific number, and whether the situation involves receiving or losing money.

Details regarding the 27 June, 3pm public drawing

There will be a live broadcast of a public draw of various lotteries, which will take place at C366, School of Economics and Management, Wuhan University on 27 June, 3pm. The public drawing will also be taped for subsequent viewing by participants. We will send out a reminder of this event on 26 June and also the closing price of the Tehran stock index that day. The public drawing procedures of the outcomes of the other options RI, AM and CO will be described below.

You will be randomly assigned an ID number that ranges from 1 to 200. This ID number will be used to determine the one decision sheet that will determine your final payout at the end of the experiment.

We will divide your randomly assigned ID by 20 and the remainder will be the decision sheet implemented. For example, if your ID is 25, sheet 5 will be implemented, if your ID is 83, sheet 3 will be implemented, and if your ID is 155, sheet 15 will be implemented. The way decision sheets are assigned to ID numbers is displayed below:

<div align="center">

1 -> RI-A

2 -> RI-B

3 -> RI-C

4 -> RI-D

5 -> RI-E

6 -> AM-A

7 -> AM-B

8 -> AM-C

9 -> AM-D

10 -> AM-E

11 -> CO-A

12 -> CO-B

13 -> CO-C

14 -> CO-D

15 -> CO-E

16 -> NA-A

17 -> NA-B

18 -> NA-C

19 -> NA-D

20 -> NA-E

</div>

Each decision sheet contains 21 rows in which you indicate your decisions. We will randomly pick a row by drawing one card from a shuffled deck of cards numbered 1 to 21. This card

determines the row in the decision sheet that will be implemented.

During the public drawing broadcast, an assistant will verify that assets RI1, RI2, AM1, AM2, CO1 and CO2 are indeed as described previously by displaying the composition of these decks before shuffling and drawing the cards.

Note: We will only show the composition of the decks if their composition is known. If the pile of cards in the decision table is unknown, the composition of the deck of cards will not be displayed and we will proceed directly to the draw.

At the end of the experiment (upon completion of the first part and the second part), we will post more details about the public drawing process through WeChat.

Sample Decision Sheet

Type RI1: Option A involves taking a card from a stack of 10 cards and guessing the parity (even or odd) of the extracted cards. The composition of these 10 cards are *known*: 5 odd numbers and 5 even numbers. If you guess correctly, you **receive** RMB100. Otherwise, you **lose** CNY50.

The **Option B** column lists **21 amounts** (*displayed in an ascending manner*) each corresponding to what you will **receive or lose** for sure if you choose this option.

DECISION: For each of the 21 rows, please indicate your decision in the final column.

	Option A	Option B	Decision
1	A	Losing CNY10 for sure	A ☐ B ☐
2	A	Losing CNY5 for sure	A ☐ B ☐
3	A	Receiving CNY0 for sure	A ☐ B ☐
4	A	Receiving CNY5 for sure	A ☐ B ☐
5	A	Receiving CNY10 for sure	A ☐ B ☐
6	A	Receiving CNY12.50 for sure	A ☐ B ☐
7	A	Receiving CNY15 for sure	A ☐ B ☐
8	A	Receiving CNY17.50 for sure	A ☐ B ☐
9	A	Receiving CNY20 for sure	A ☐ B ☐
10	A	Receiving CNY22.50 for sure	A ☐ B ☐
11	A	Receiving CNY25 for sure	A ☐ B ☐
12	A	Receiving CNY27.50 for sure	A ☐ B ☐
13	A	Receiving CNY30 for sure	A ☐ B ☐
14	A	Receiving CNY32.50 for sure	A ☐ B ☐
15	A	Receiving CNY35 for sure	A ☐ B ☐
16	A	Receiving CNY37.50 for sure	A ☐ B ☐
17	A	Receiving CNY40 for sure	A ☐ B ☐
18	A	Receiving CNY42.50 for sure	A ☐ B ☐
19	A	Receiving CNY45 for sure	A ☐ B ☐
20	A	Receiving CNY47.50 for sure	A ☐ B ☐
21	A	Receiving CNY50 for sure	A ☐ B ☐