

INSTRUCTIONS: DOA

Specific Instructions for DOA

For the next several rounds, there will be a particular procedure used to deal with the possibility that you and your counterpart may not reach an agreement by the end of the round.

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Should you reach the end of the round without having mutually agreed upon a value of X , the computer will decide upon the value by using the following procedure.

The computer will ask you to make two final offers. The primary final offer can be thought of as what you would like X to be, whereas your secondary final offer can be thought of as your estimate of a "fair" settlement. For our purposes, the "fair" settlement would be the one the computer would generate through its number generation procedure. The next screen shows you the last 100 values of X that the computer generated. While there is a random element to the way in which the computer generates the numbers, they will give you an idea of the range of numbers that are more or less likely to be generated from the computer.

The screenshot shows a dialog box titled "The round has ended!" with a close button (X). The text inside says: "The round has ended without an agreement. Please enter your final offer(s)". Below this, there are two input fields: "Primary Final Offer: (Your optimal choice for X)" and "Secondary Final Offer: (Your estimate of the computer generated settlement)". There is an "OK" button below these fields. Below the dialog box, there is a "Warning: Applet Window" message. At the bottom of the window, there is a "New Offer" input field, an "Earnings: 1.56" label, and two buttons labeled "Offer" and "Accept".

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These are the last 100 values of X randomly generated by the computer (the order in which they are shown is irrelevant...this should be used to give you an idea of what the computer feels is a "fair" value of X).

518	522	369	471	465	402	452	533	572	472
434	465	507	509	379	528	514	490	528	488
533	534	485	584	461	526	519	431	559	585
536	518	508	426	574	516	564	552	513	500
463	361	490	389	477	458	571	506	528	502
636	546	443	533	444	501	526	572	457	562
512	477	513	480	477	509	544	483	506	533
495	482	477	504	610	463	480	358	454	641
602	456	525	441	478	528	442	505	455	462
383	473	599	513	413	429	576	555	513	576

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Since you will be making two final offers (a primary and a secondary) in the event that you do not reach an agreement during the allotted time period, you need to know how these offers will be used by the computer selection procedure.

The computer will assign an overall value to your two final offers. Similarly, the computer will assign an overall value to your counterpart's two final offers. The overall value is made up of two pieces. The first piece measures how close your primary offer is to your secondary offer. The closer the better in the eyes of the computer selection procedure. The second piece measures how close your secondary offer is to the computer's randomly chosen value of X (which you will not see, but the 100 values of X give you an idea of what to expect). The closer the better in the eyes of the computer selection procedure. The overall value assigned to your two final offers is thus determined by combining the value placed on the first and second pieces that were just described to you. The same is done for your counterpart's final offers, and the computer will then compare the value assigned to your final offers to the value assigned to the two final offers of your counterpart. The Player who has the highest value assigned to his/her final offers will have his/her **primary** offer chosen as the value of X for that round.

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It is important for you to realize that you will not see the values attached to your final offers, but we have just described the procedure that the computer will use to select either your or your counterpart's primary offer as the value of X for that round.

One final item of importance is that the computer will not necessarily place equal weight on the first piece and the second piece of your offer-value. For these rounds, when the computer calculates the overall value of your two final offers, it will place a 25% weighting on the first piece (how close your primary offer is to your secondary offer), and a 75% weighting on the second piece (how close your secondary offer is to the computer's randomly chosen value of X). A higher weighting by the computer means that the computer will place a heavier emphasis on that particular piece in determining the overall value of your two final offers.

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Keep in mind that this procedure is only invoked in the event that you do not come to an agreement prior to the end of the round. If this is the case, you will be prompted for both your primary and secondary final offers.

Even at this point, should either your primary or secondary offers come to agreement, then that will determine the value of X for the round. In other words, the computer selection procedure will not be used if primary or secondary offers come to agreement.

Please raise your hand at this point if you have any questions as to how these rounds will proceed. Otherwise, click below to start.