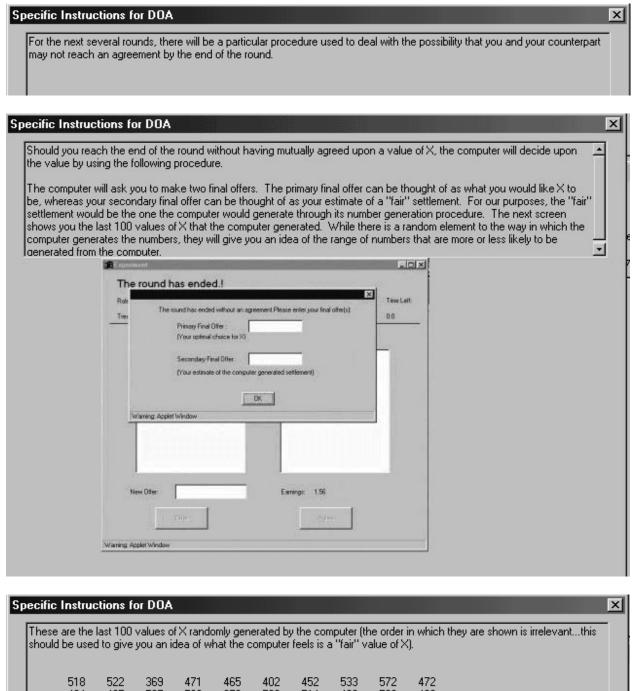
INSTRUCTIONS: DOA



Specific Instructions for DOA

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 will have his/her **primary** offer chosen as the value of X for that round.

Specific Instructions for DOA

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.

Specific Instructions for DOA

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.

X

X

X