SPECIFIC INSTRUCTIONS FOR ARBITRATION WHERE ARBITRATOR WEIGHS DISPUTANTS' FINAL OFFERS AND ITS OWN SETTLEMENT CHOICE

Specific Instructions for FFCAEXTRA - 2

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

Should you reach the end of the round without having mutually agreed upon a value of X, you will then be prompted for a final offer. If you and your counterpart's final offers come to agreement, then that is the value of X for the round (if they overlap, then X will be the average of the final offers for that round). If there is still no agreement, then the computer will generate a value of X for you. Specifically, the value of X for that round will be determined based on a combination of how close your final offers are and an X value drawn by the computer. The closer your final offers are to agreement, the higher the weight the computer will place on the mid-point between your final offers (and, hence, the lower the weight it will place on its own choice of an X value). For example, suppose that there are two scenarios, one with final offers of 10,000 for Player A and 11,000 for Player B (the mid-point is 10,500) and another where final offers are 10,000 and 14,000 (mid-point is 12,000). In each scenario the computer would weight both the midpoint of your final offers and its own choice of X in determining the final value of X for that round, but in the first scenario it will place a higher weighting on the mid-point value of X since the final offers are closer together. Basically, a higher weighting on the mid-point value of X means that the final X outcome for the round will be closer to that mid-point value. If your final offers are farther apart, then computer will more heavily weight its own choice of an X value.

When the computer draws its own choice of an X value, some values of X are more likely to be drawn then others, but there is a random element to the computer's choice of X. To give you some information about this random number generation procedure, these are the last 100 value of X randomly generated by the computer (the order in which they are shown is irrelevant) using the exact same procedure as will apply in your case. This should be used to give you an idea of more likely and less likely values of X.

500	418	507	559	530	537	628	475	500	610
505	582	458	522	448	602	434	507	498	428
538	482	572	487	499	521	453	541	463	514
589	407	550	573	461	541	582	447	493	539
489	509	350	437	457	555	438	510	523	567
405	436	516	606	561	556	475	506	536	547
454	446	563	489	465	488	677	442	450	454
443	415	553	439	457	424	604	529	486	568
463	371	462	519	534	560	535	455	474	597
510	520	515	362	399	515	415	446	520	430

Again, if you and your counterpart have not reached agreement by the end of the round, you will be prompted for a final offer. If final offers still do not agree, then the computer will determine the value of X for you for that round by drawing its own value of X (based on the same random number generation procedure as drew the table of 100 numbers above) and weighting its own value of X with the mid-point of your final offers. A higher weighting will be placed on your final offers the closer they are to agreement.

If you have any questions, please raise your hand before starting the round. If you do not have any questions, then please click below to start.