

Experiment Related Materials

The directions were computerized and self-paced as was the comprehension quiz. Italicized headings were not observed by the participants.

Page 1 of the Directions:

You are participating in a research study on decision making under uncertainty. At the end of the study you will be paid your earnings in cash and it is important that you understand how your decisions affect your payoff. If you have questions at any point, please let a researcher know and someone will assist you. Otherwise, please do not talk during this study and please turn off all cell phones.

Page 2 of the Directions:

In this study there is a series of 38 tasks. Each task involves choosing between Option A and Option B. Once you have completed these tasks, one of the thirty-eight tasks will be randomly selected to determine your payoff.

Page 3 of the Directions:

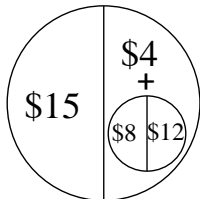
Each option will involve amounts of money and possibly one or more 50-50 lotteries represented as a circle with a line through the middle. A 50-50 lottery means there is a 50% chance of receiving the item to left of the line and a 50% chance of receiving the item to the right of the



line. For example, is a 50-50 lottery in which you would receive either \$8 or \$12, each with an equal chance. To determine the outcome of any 50-50 lottery, we will use a spinner. You are welcome to inspect the spinner at any point.

Page 4 of the Directions:

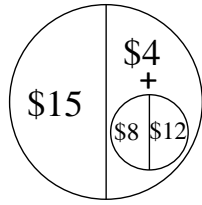
In some cases, one of the items in a 50-50 lottery may be another lottery. For example,



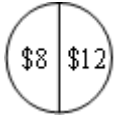
is a 50-50 lottery where you receive either \$15 or you receive \$4 plus the 50-50

lottery .

Page 5 of the Directions:

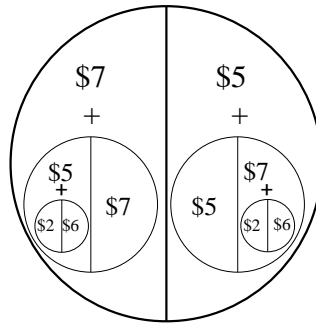


Continuing with the example, , there is a 50% chance that you would receive \$15 in the big 50-50 lottery and that would be it. There is also a 50% chance that you would receive



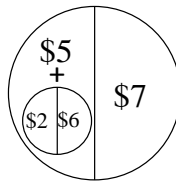
\$4 + in the big 50-50 lottery. Conditional on this outcome for the big 50-50 lottery, you would then have a 50% chance of receiving an extra \$8 and a 50% chance of receiving an extra \$12 in addition to the \$4. Therefore, the chance that you would end up with $\$4 + \$8 = \$12$ is $0.5 \times 0.5 = 0.25 = 25\%$. The chance that you would end up with $\$4 + \$12 = \$16$ is $0.5 \times 0.5 = 0.25 = 25\%$.

Page 6 of the Directions:



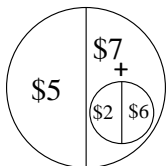
Let's look at a more complicated example.

is 50-50 lottery where you



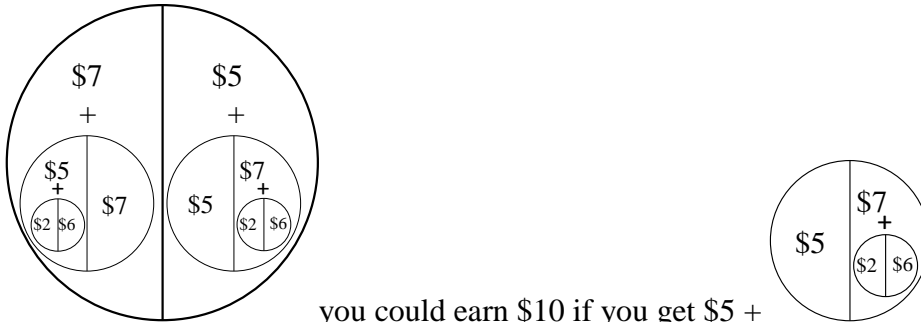
receive either \$7 plus the 50-50 lottery

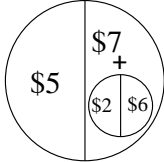
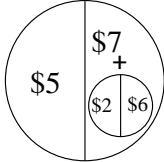
or you receive \$5 plus the 50-50 lottery



, both of which include an additional 50-50 lottery.

Page 7 of the Directions:



In  you could earn \$10 if you get \$5 +  in the big lottery and then earn \$5 in the second lottery. This occurs with a $0.5 \times 0.5 = 25\%$ chance. Alternatively, you could earn \$14 with a 37.5% chance. Notice that you could earn \$14 by 1) earning \$7 (in the big lottery) + \$5 (in the middle lottery) + \$2 (little lottery) which happens with a $0.5 \times 0.5 \times 0.5 = 12.5\%$ chance or 2) earning \$7 (in the big lottery) + \$7 (in the middle lottery) which happens with a $0.5 \times 0.5 = 25\%$ chance, or 3) earning \$5 (in the big lottery) + \$7 (in the middle lottery) + \$2 (little lottery) which happens with a $0.5 \times 0.5 \times 0.5 = 12.5\%$ chance. Finally there are two ways that you could earn \$18 which occurs with a $0.5 \times 0.5 \times 0.5 + 0.5 \times 0.5 \times 0.5 = 25\%$ chance.

Comprehension Quiz Screen 1 (with correct answers added):

Directions

Question 1

If you were to observe the following choices and selected Option A, you would receive ...

\$2
 \$5
 \$10

Question 2

If you were to observe the following choices and selected Option B, you would receive ...

\$5
 \$2 or \$10, each with an equal chance

Option A

\$5

Option B

\$2 | \$10

Previous Page

Next Page

Comprehension Quiz Screen 2 (with correct answers added):

Directions

Question 3

If you were to select the following lottery, the smallest amount of money you could earn is ...

\$-2
 \$0
 \$3

Question 4

If you were to select the following lottery, the largest amount of money you could earn is ...

\$13
 \$14
 \$17

\$5 | \$12
 +
 \$-2 | \$2

\$7 | \$10
 +
 \$0 | \$3

Previous Page

Begin

Standardized Consent Form

Consent to Participate in Paid BBRL Research Study

This study is being conducted for research purposes by Dr. Cary Deck at the University of Arkansas. Your participation in this study is voluntary and you are free to withdraw from the study at any point with no negative repercussions.

Description and Procedures: This is a research study about how people make decisions related to business. Specific directions regarding the decision tasks will be given to you once the study begins. The entire process is expected to last 90 minutes.

Payment: You may be paid for participating in this study. How much you will be paid will be explained in the directions you will be given once the study begins. You cannot lose any of the money you currently have. In order to be paid, you must sign the accompanying "Record of Participation Payment." That form will be given to the University of Arkansas accounting office as any money you are paid is considered taxable income. A copy may be kept by the researcher or the Behavioral Business Research Laboratory (BBRL).

Risks and Benefits: There are no known risks associated with this study. There are no benefits to participation beyond the monetary payment.

Video and Audio Recording: Your voice or image may be recorded and analyzed as part of this study. Any other use of your recording would require a separate approval from you.

Confidentiality: All information regarding your decisions will remain confidential to the extent allowed by law and University policy. Your responses and choices will not be associated with your name or other identifying information. Your participation (but not your responses or behavior) in this study will be recorded in the BBRL's database and may impact your eligibility for future BBRL studies.

Additional Information: There is no additional information.
 Please see the addendum for additional information.

IRB Approval: This project has been reviewed by the Institutional Review Board at the University of Arkansas which oversees research involving human subjects. Any questions or concerns can be directed to Ro Windwalker at irb@uark.edu.

Voluntary Consent: By signing the accompanying Record of Participation Payment, swiping your ID card, or providing your name or ID number, you certify that you are at least 18 years of age and have read (or have had read to you) the preceding information and that you understand its content. Additionally, you certify that you are voluntarily participating in this study and that you have had all of your questions, including those regarding the risk and benefits of participation, satisfactorily answered.

A copy of this form will be given to you upon request. Further questions can be directed to Nidhi Dahiya at ndahiya@walton.uark.edu or by phone at 479-372-2153.

Record of Participation Payment

	Name	Signature	UAID# or SS# if nonUA	Payment
1				
2				
3				
4				
5				
6				
7				
8				
9				
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21				
22				
23				
24				
25				
	Date	Researcher Signature	Total Expenditure	

Graphical Presentation of all Tasks as presented to Subjects

Task

Option A

Option B

Paper 1
Output 1
Order 1

\$20

\$20

+

\$10

Paper 2
Output 2
Order 1

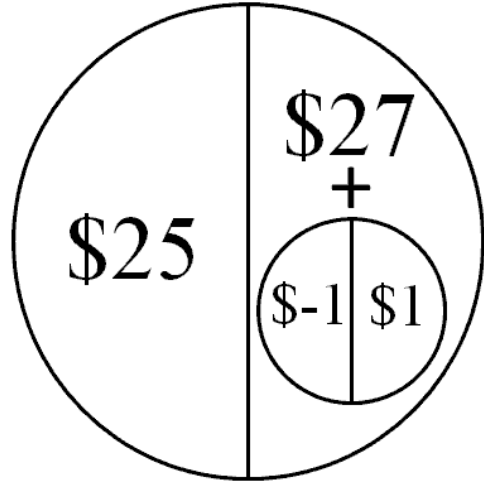
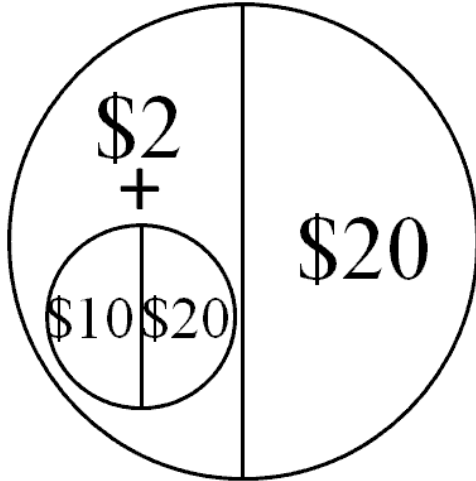
\$2

\$2

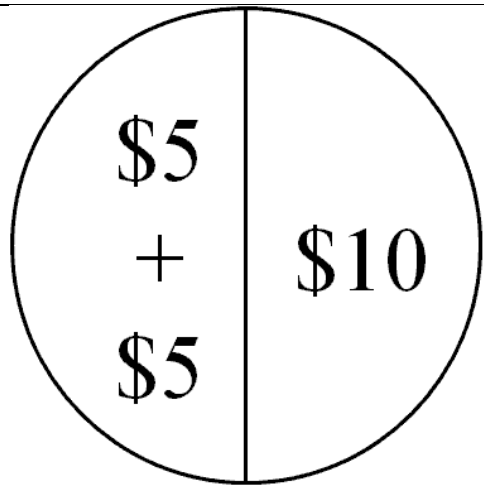
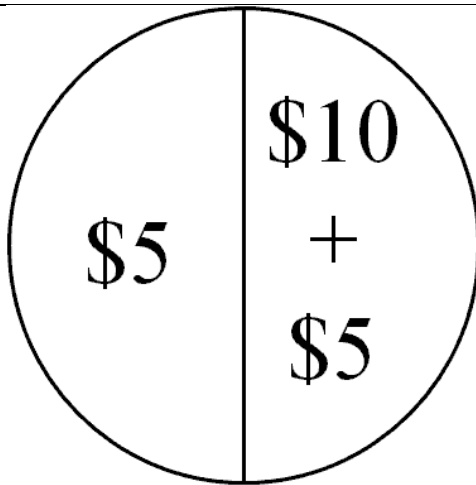
+

\$5

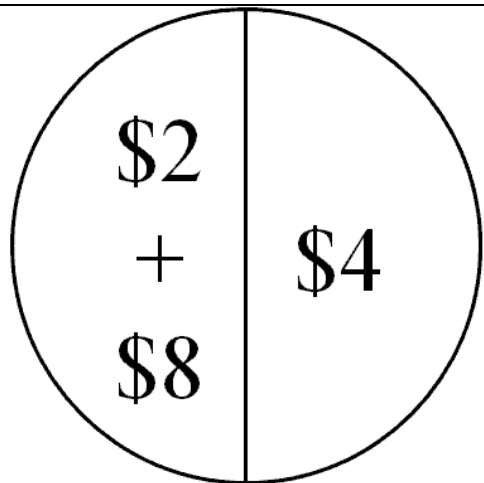
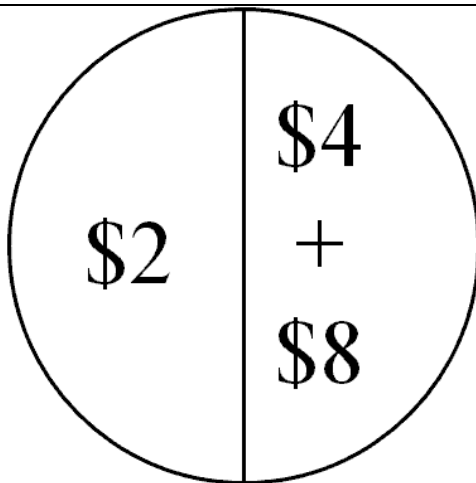
Paper 3
Output 13
Order 1



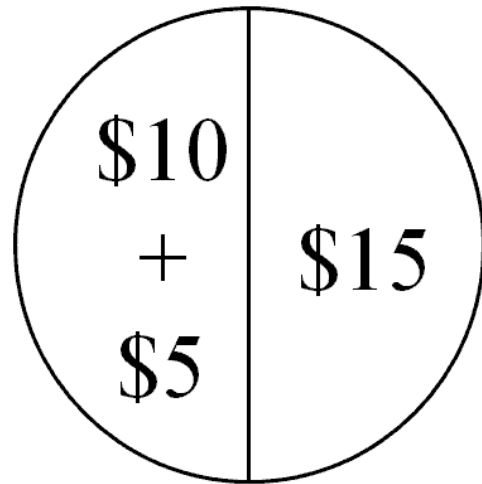
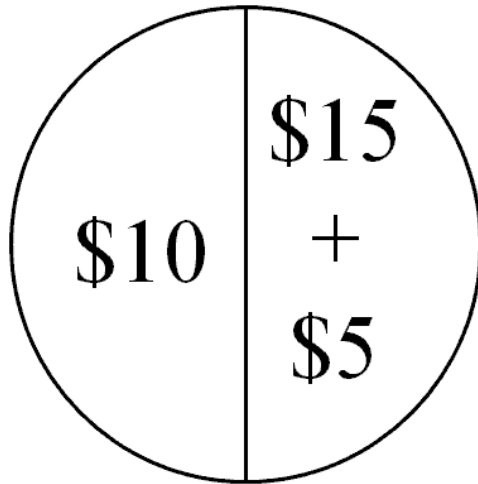
Paper 4
Output 3
Order 2



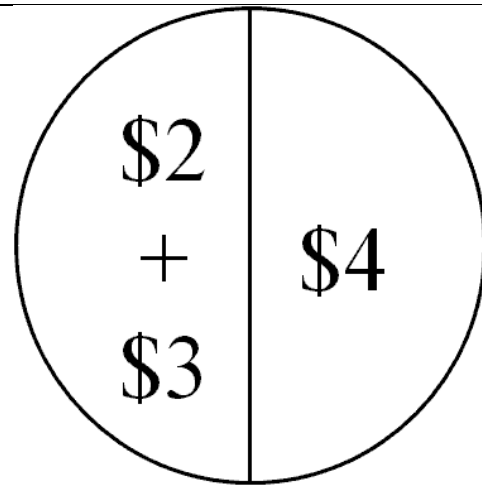
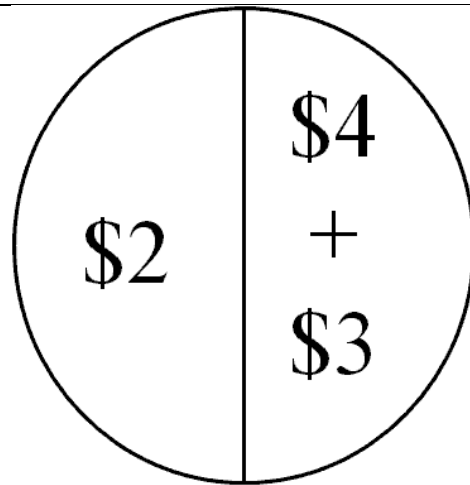
Paper 5
Output 4
Order 2



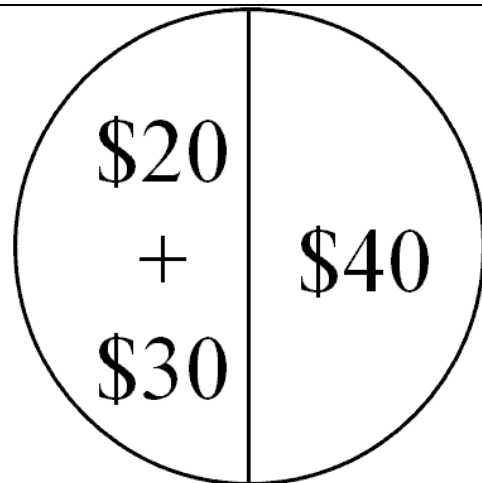
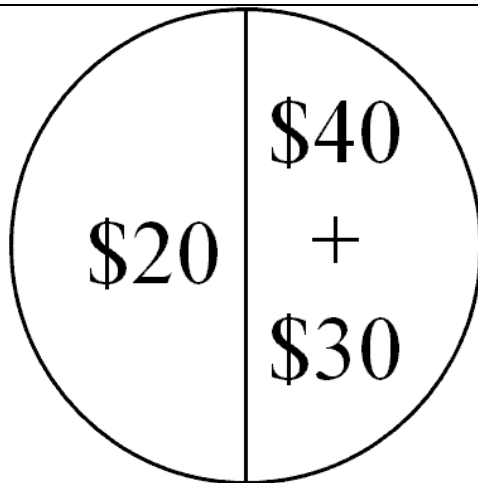
Paper 6
Output 5
Order 2



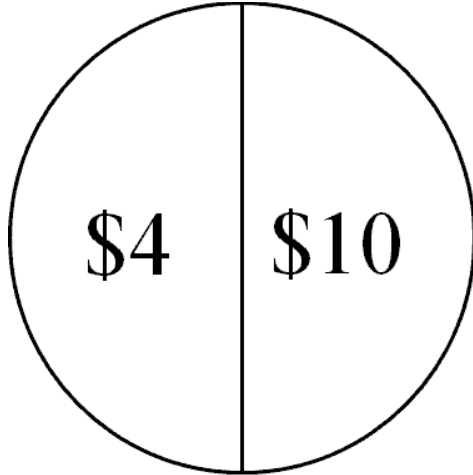
Paper 7
Output 6
Order 2



Paper 8
Output 7
Order 2

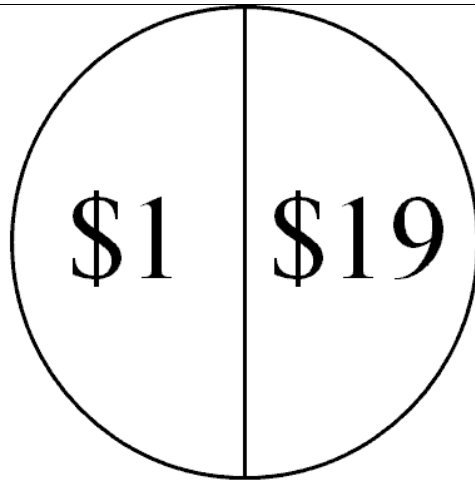


Paper 9
Output 32
Order 2



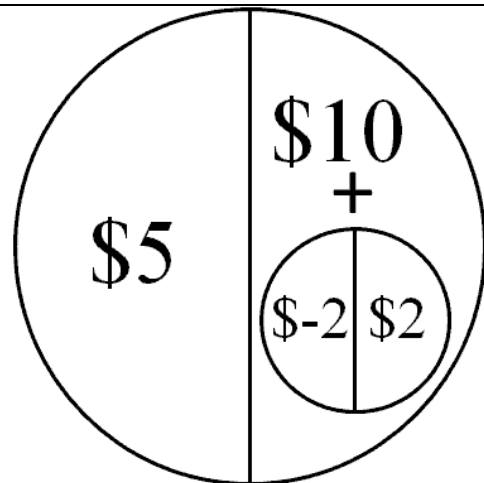
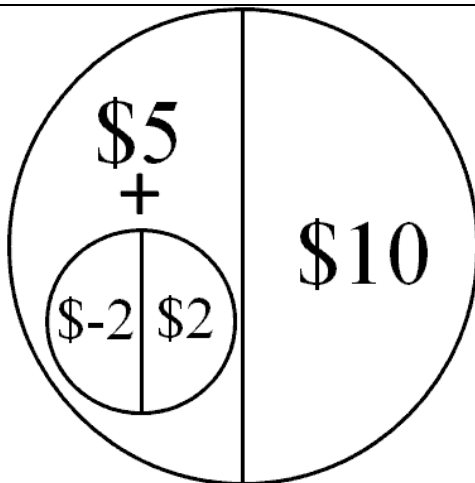
\$7

Paper 10
Output 33
Order 2

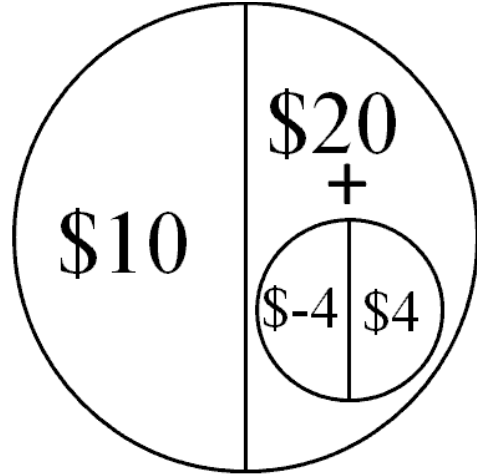
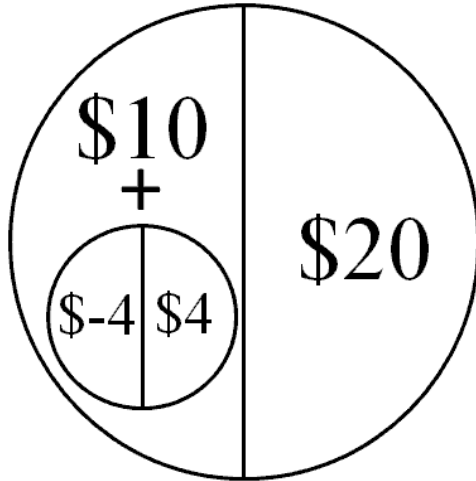


\$10

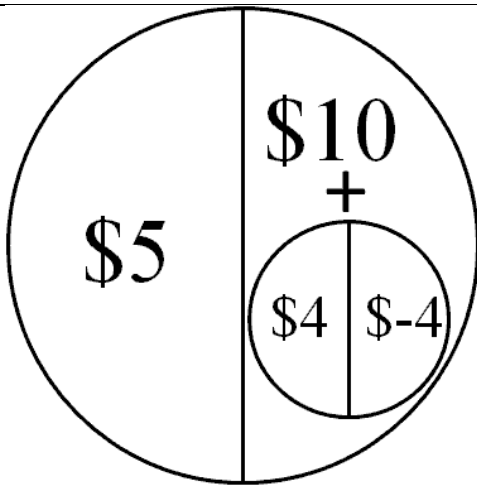
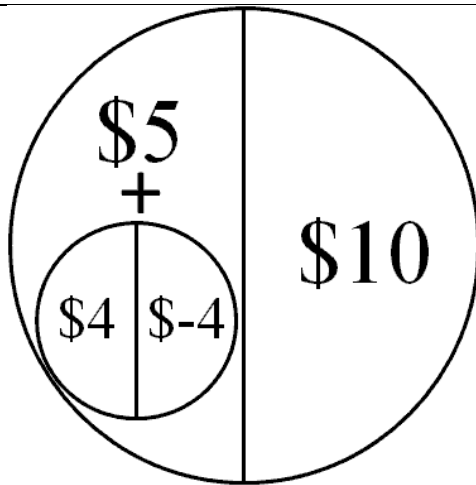
Paper 11
Output 8
Order 3



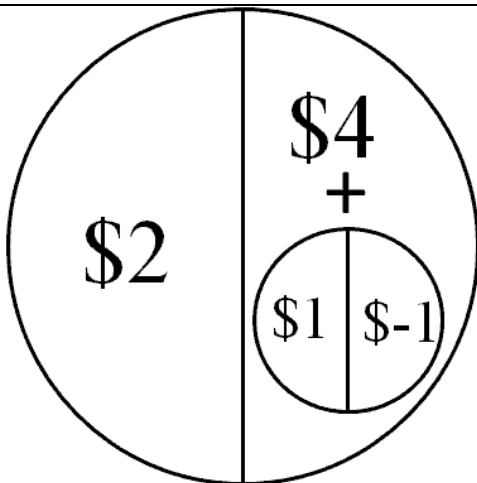
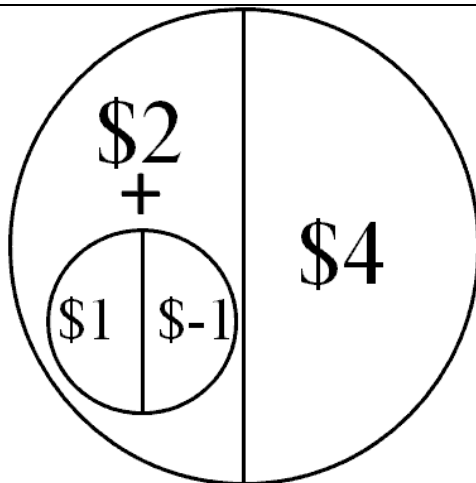
Paper 12
Output 9
Order 3



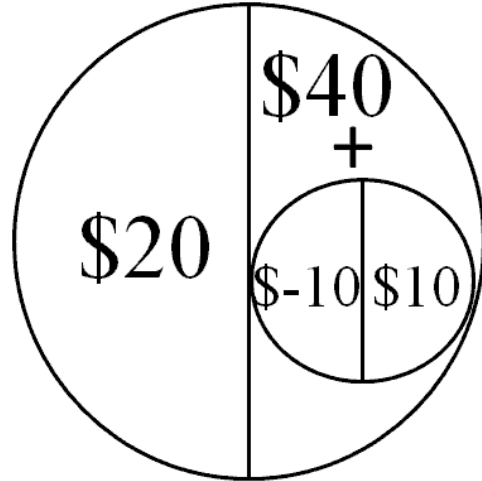
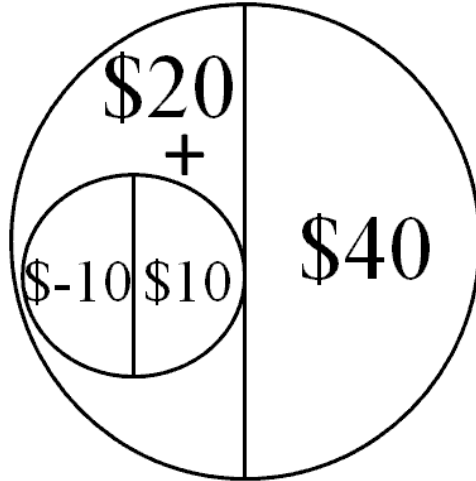
Paper 13
Output 10
Order 3



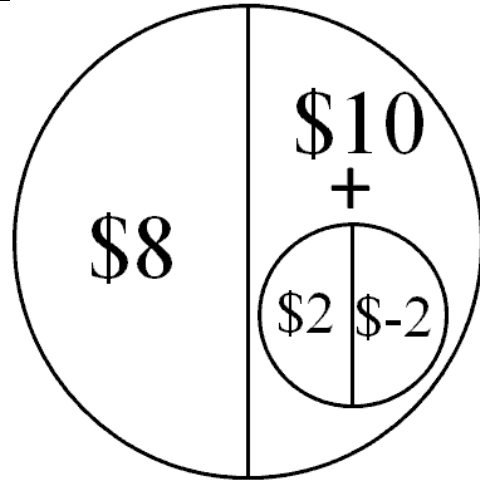
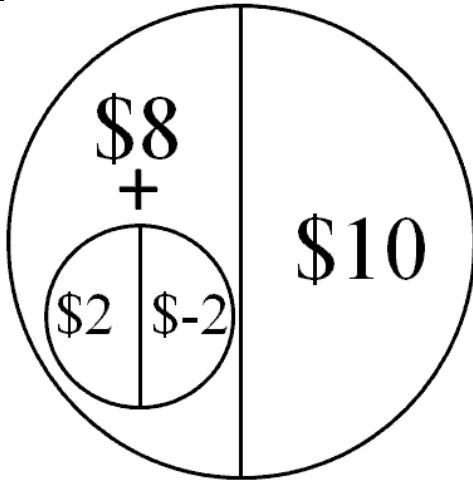
Paper 14
Output 11
Order 3



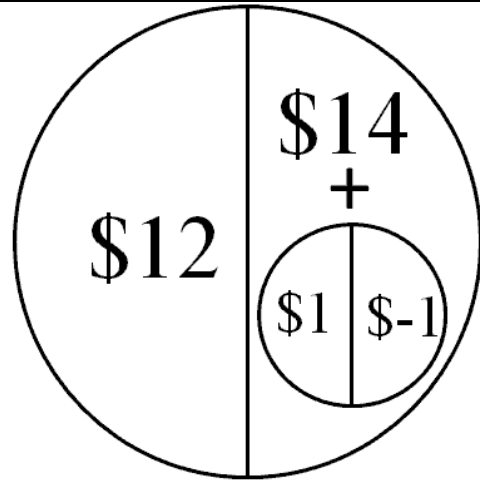
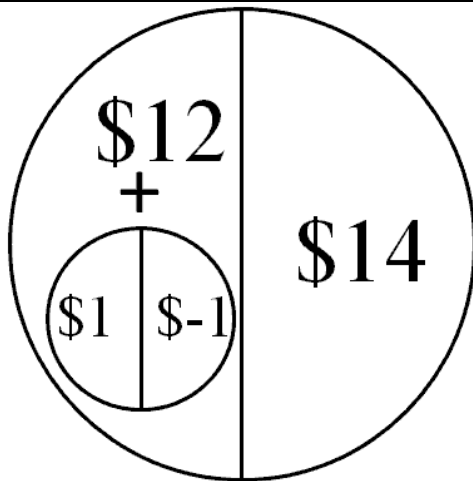
Paper 15
Output 12
Order 3



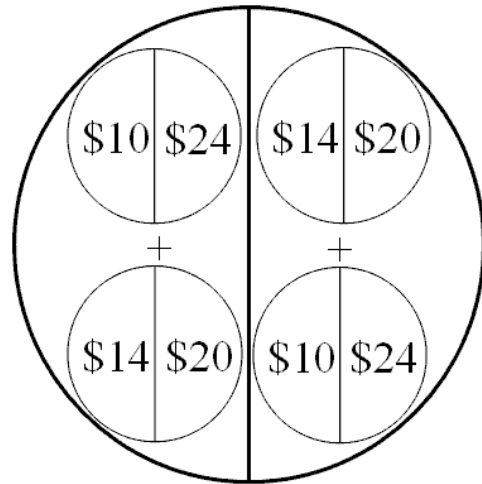
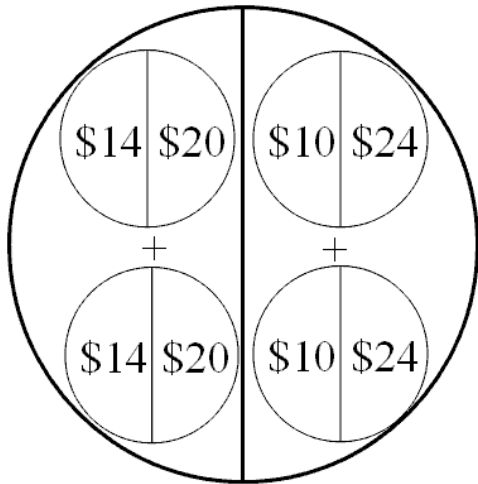
Paper 16
Output 34
Order 3



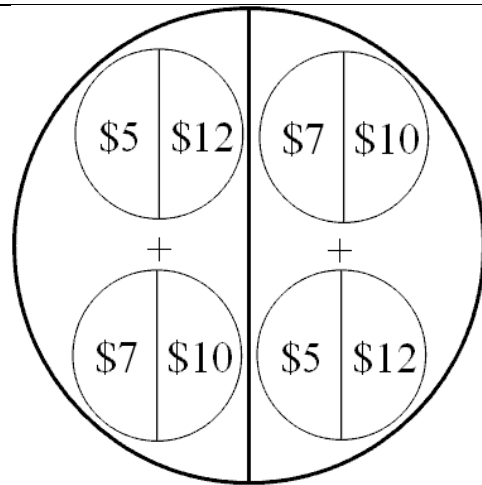
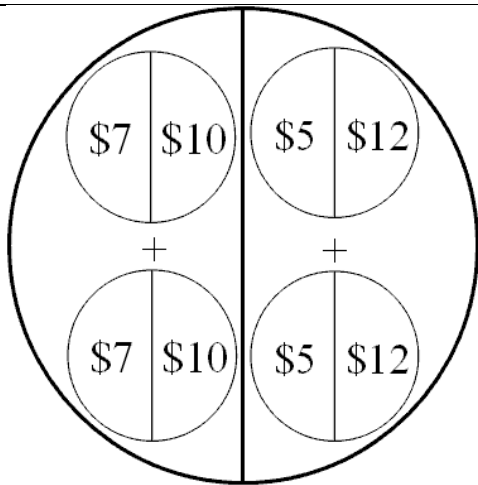
Paper 17
Output 35
Order 3



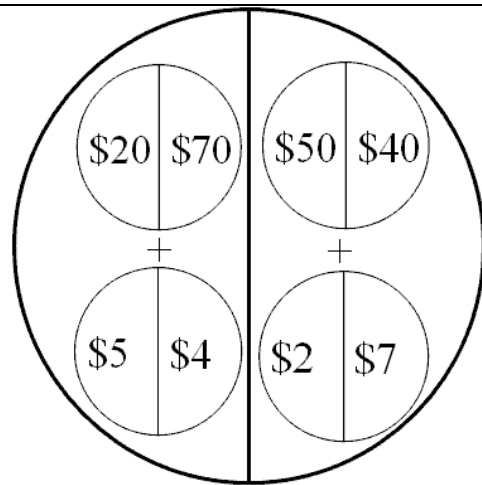
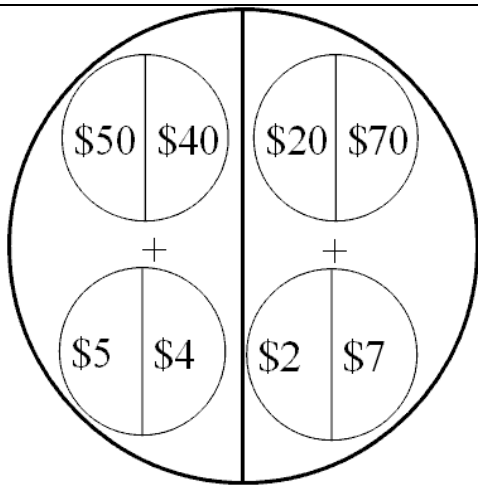
Paper 18
Output 14
Order 4



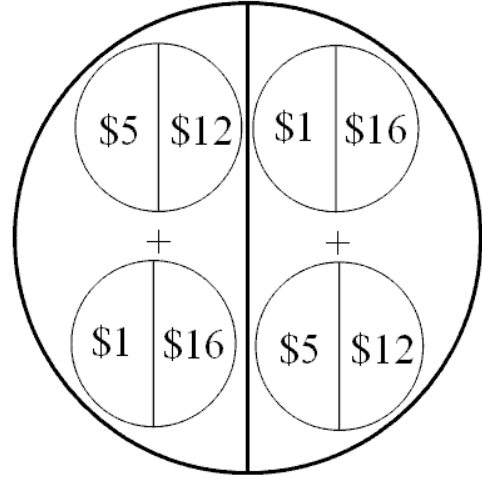
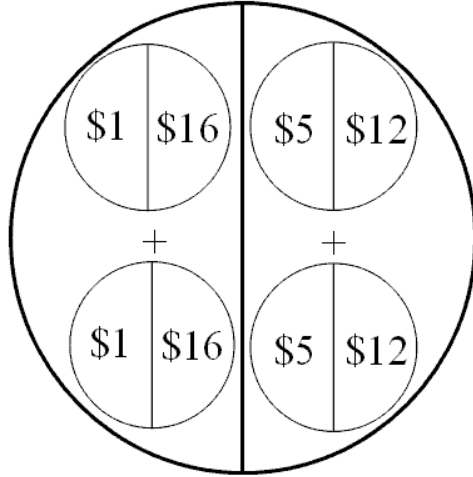
Paper 19
Output 17
Order 4



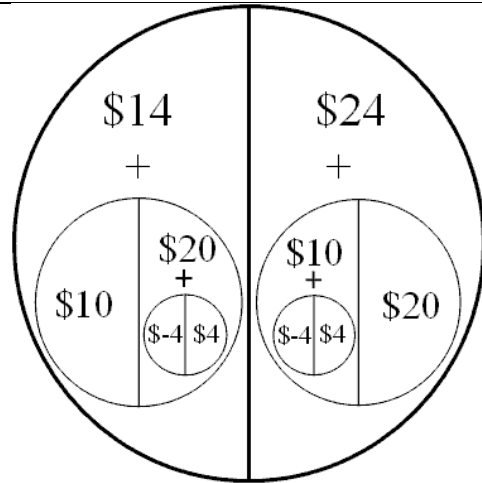
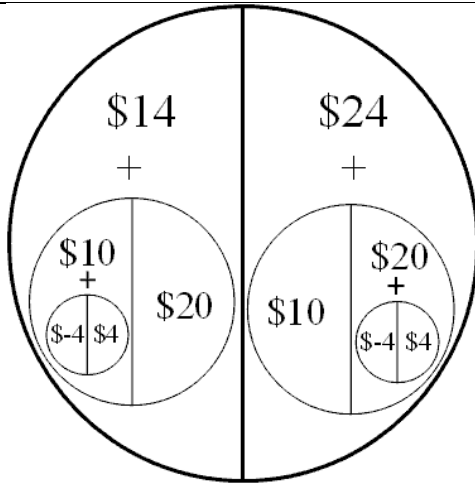
Paper 20
Output 19
Order 4



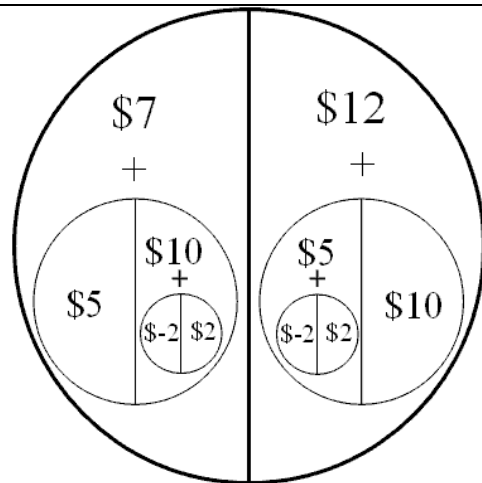
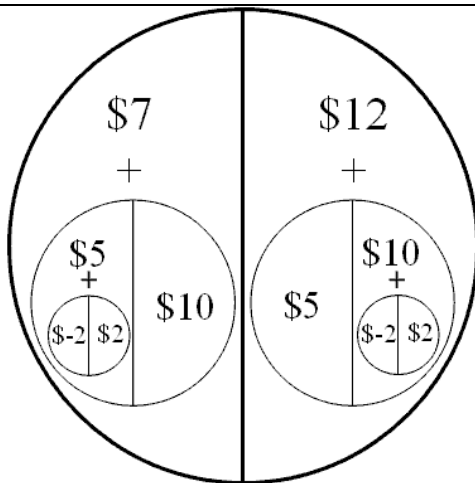
Paper 21
Output 36
Order 4



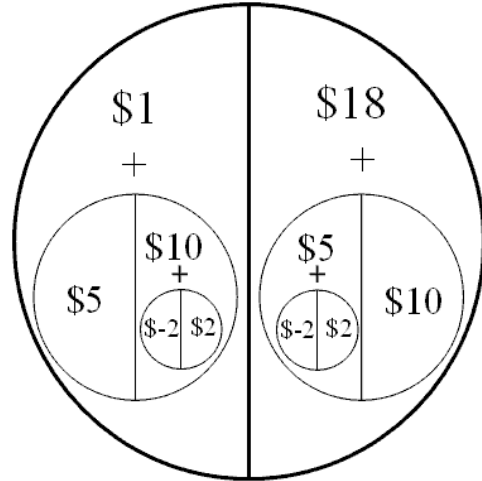
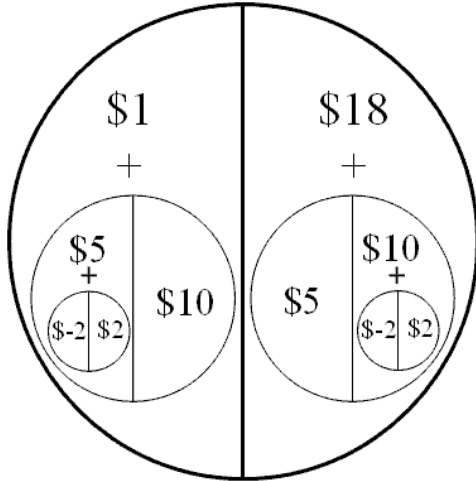
Paper 22
Output 15
Order 4



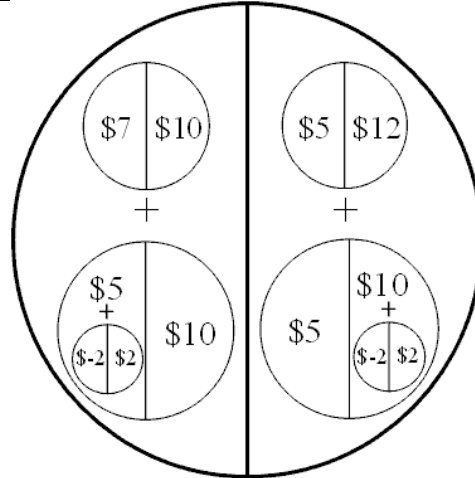
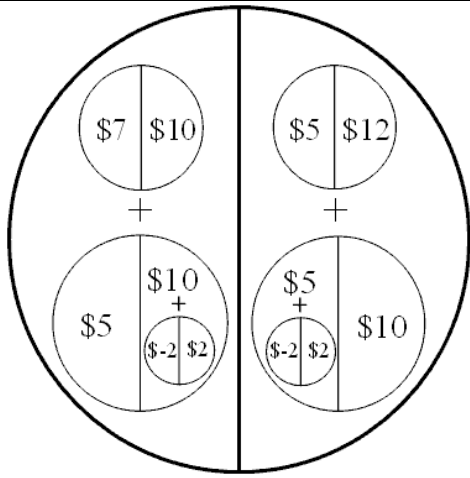
Paper 23
Output 16
Order 4



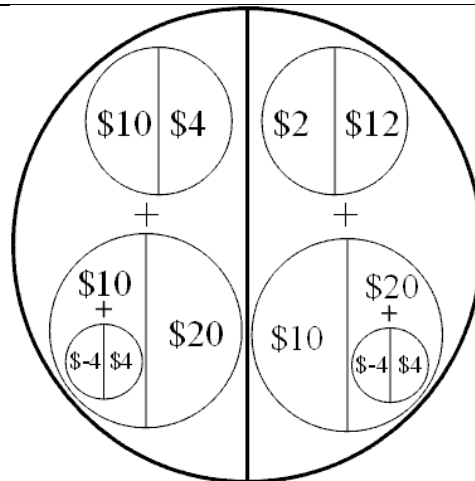
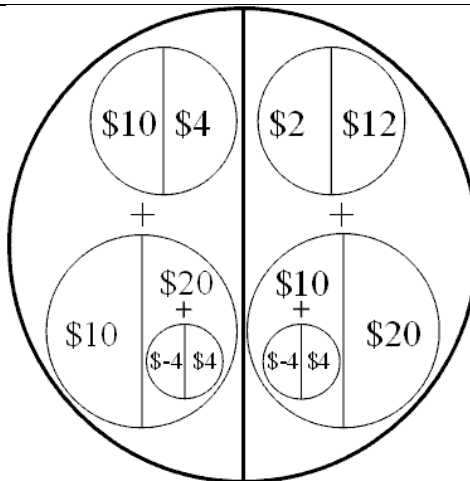
Paper 24
Output 18
Order 4



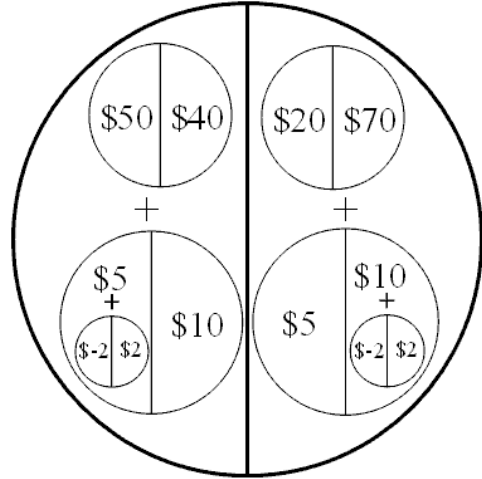
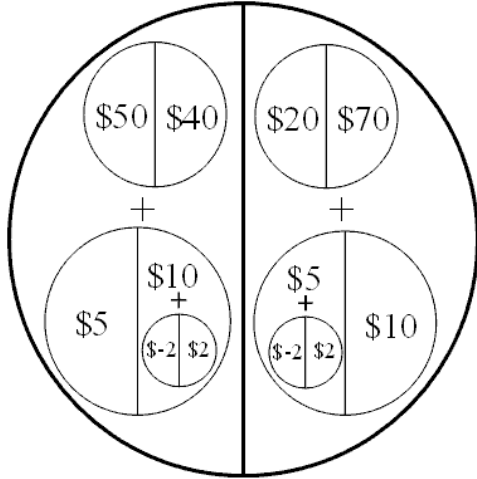
Paper 25
Output 20
Order 5



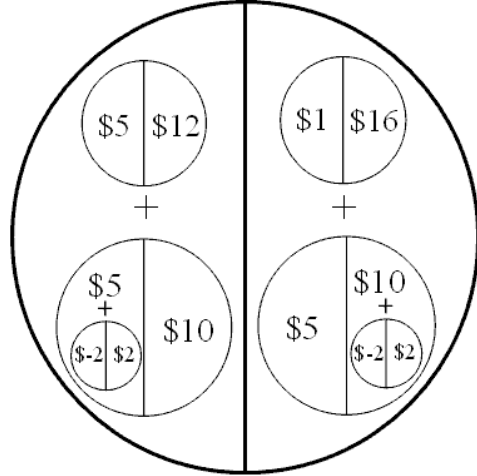
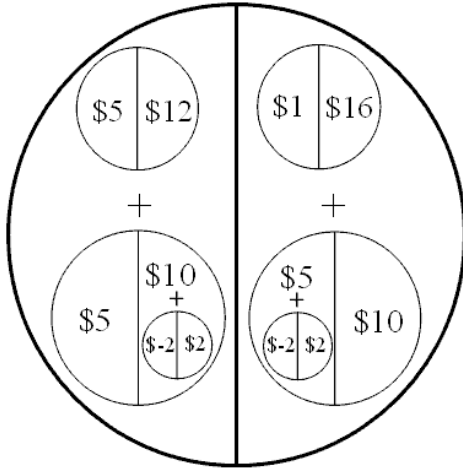
Paper 26
Output 21
Order 5



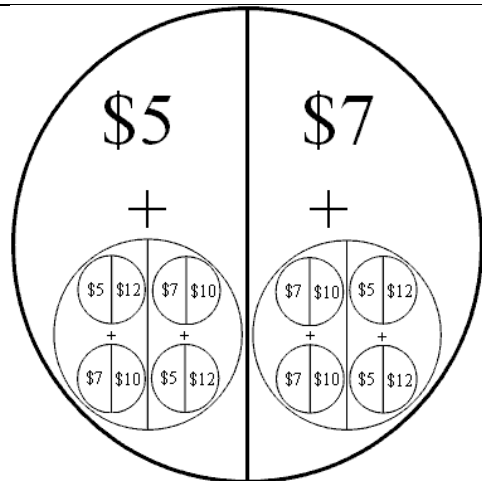
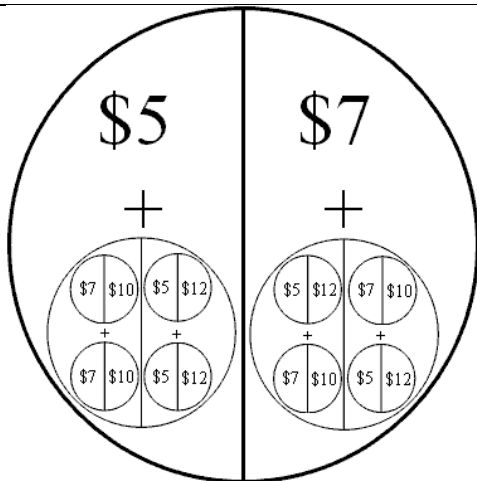
Paper 27
Output 22
Order 5



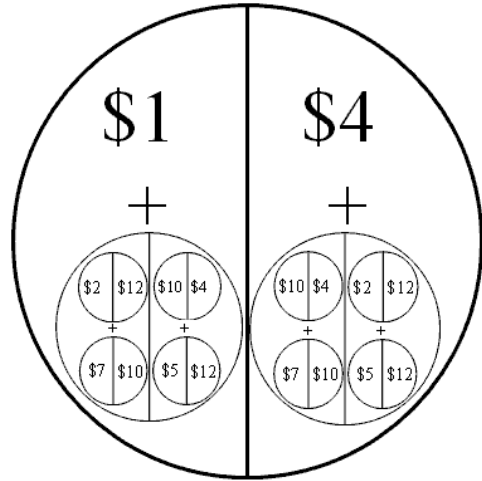
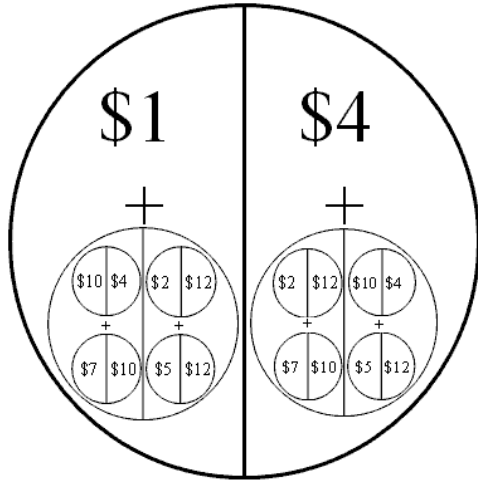
Paper 28
Output 37
Order 5



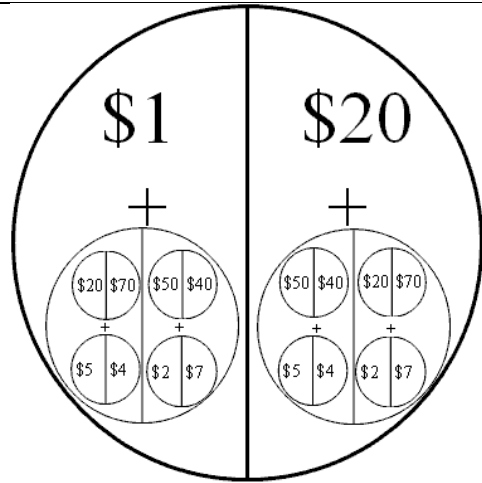
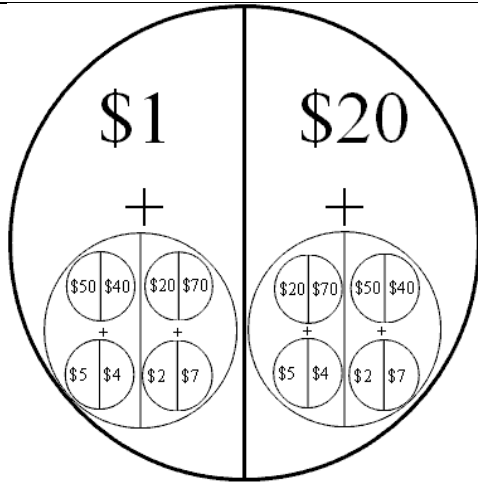
Paper 29
Output 23
Order 5



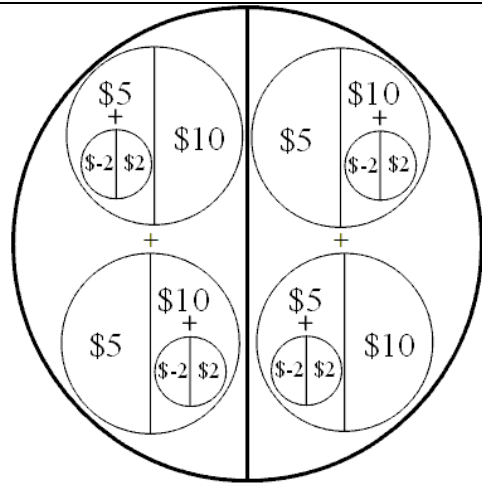
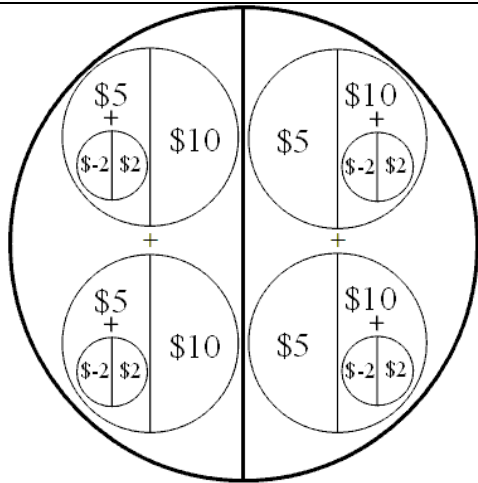
Paper 30
Output 24
Order 5



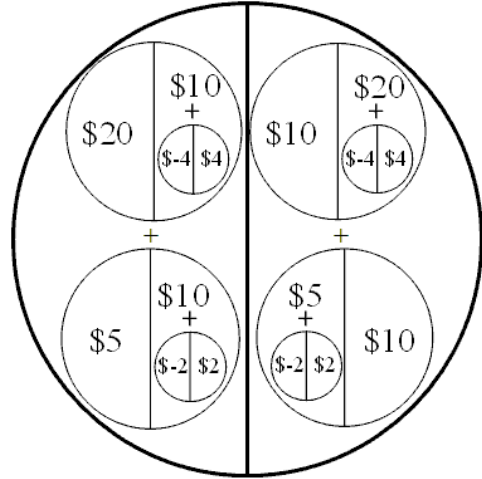
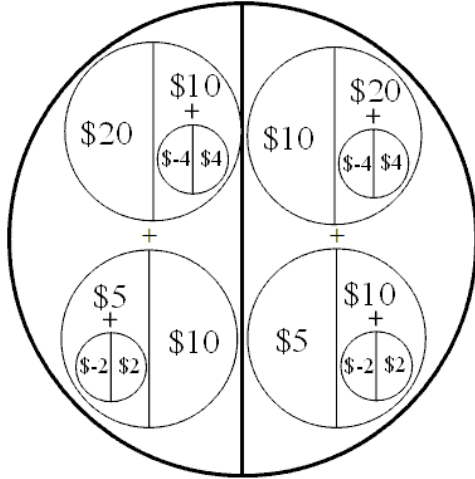
Paper 31
Output 25
Order 5



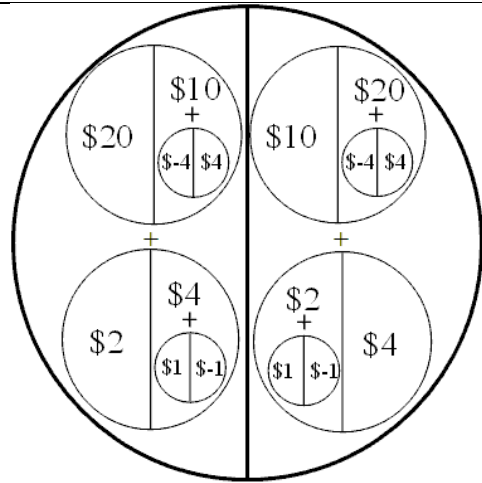
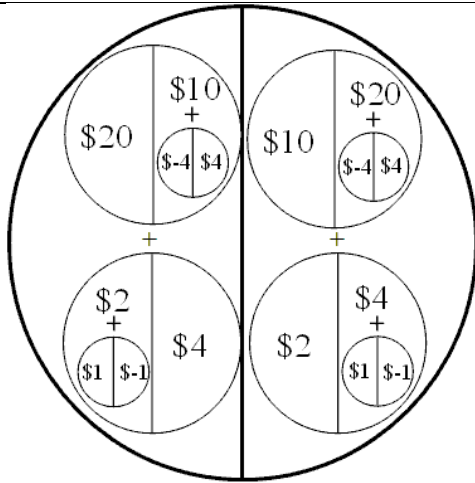
Paper 32
Output 26
Order 6



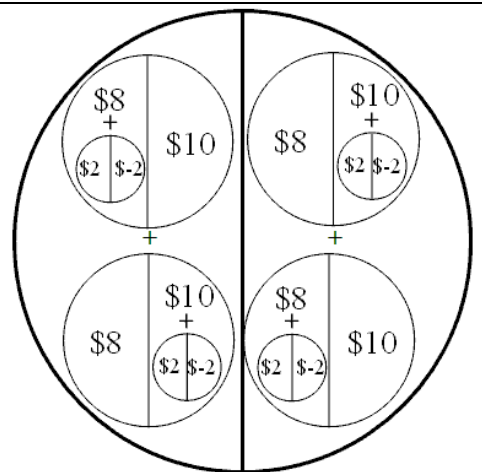
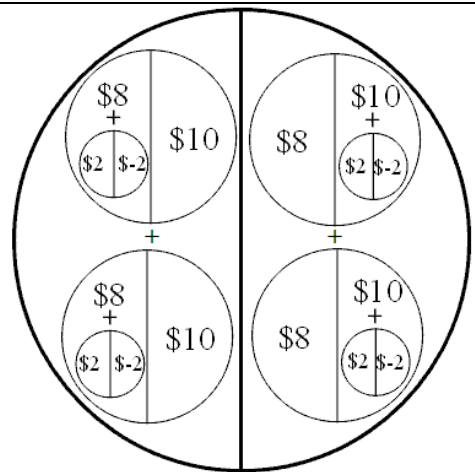
Paper 33
Output 27
Order 6



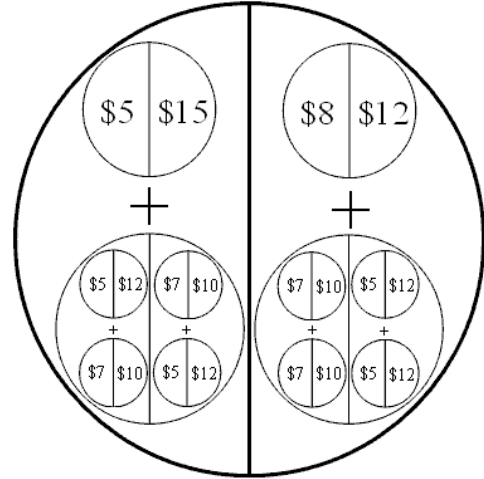
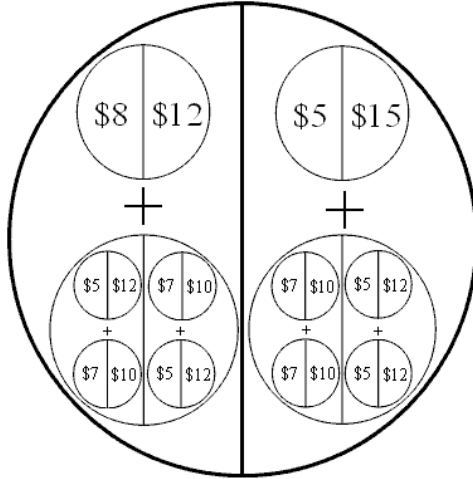
Paper 34
Output 28
Order 6



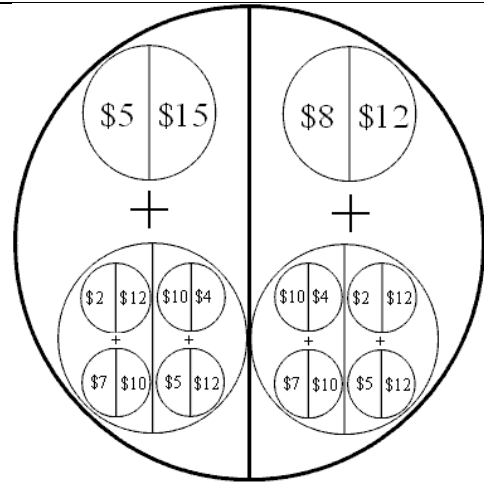
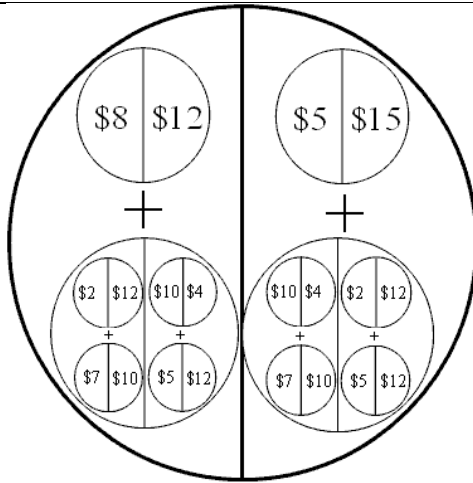
Paper 35
Output 38
Order 6



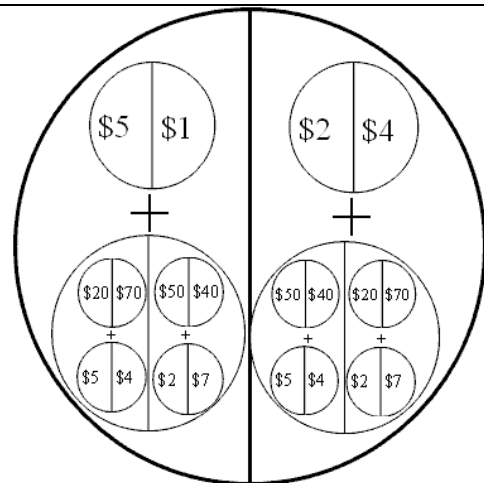
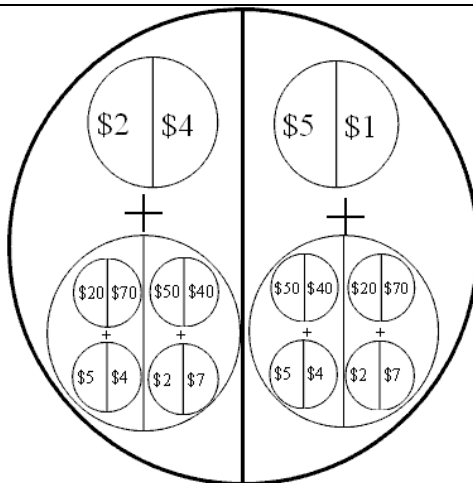
Paper 36
Output 29
Order 6



Paper 37
Output 30
Order 6



Paper 38
Output 31
Order 6



After a pilot session, additional tasks were constructed so that more observations for each order could be collected from each subject. For the ease of the reader, the tasks were grouped by order and construction then numbered sequentially in the paper. As a result the task numbers in this data output file do not match those in the paper. Both task numbers are given in this table.