

A Comment on “Can Relaxation of Beliefs Rationalize the Winner’s Curse?: An Experimental Study”

by

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The current paper examines the experimental data from the paper “Can Relaxation of Beliefs Rationalize the Winner’s Curse?: An Experimental Study” by Asen Ivanov, Dan Levin and Muriel Niederle, published in *Econometrica* (2010, Volume 78, Issue 4, p.1435-1452). To obtain the data, please contact the original authors.

The following files are related to the computation of expected-payoff maximizing bids in part II.

1. **Fortran File:** This file is compiled using Absoft Fortran. Note that we left the file and directory names unchanged in this fortran file. Please change them if you prefer to do so. In addition, since the highest bid is 1000000.00, please adjust the precision if necessary.

Reading the Data Files: We divided the data into three files, corresponding to three treatments in their experiment: (i) *Baseline* (62 subjects), (ii) *ShowBidFn* (46 subjects), and (iii) *MinBid* (26 subjects). Parts I and II of each treatment have 11 auctions each (22 auctions for each subject in total).

Each data file has one column. For each treatment (file), the first 11 numbers are the bids in part I for the first subject (ordered according to the corresponding signals), the next 11 numbers are the bids in part II for the first subject (ordered according to the corresponding signals).¹ In other words, the first 22 data points belong to the first subject in the treatment. Similarly, the next 22 data points belong to the second subject in the treatment (the first 11 bids for part I and the other 11 bids for part II). Repeat this for each subject. In total, each file contains the data points equal to the number of subjects times 22.

2. **Description** (pdf file): This file explains how we compute the expected-payoff maximizing bids.
3. **Example** (excel file): This file accompanies the “Description” file above. This contains the example from the experiment.
4. **Results** (txt files): There are two files for each treatment (six in total).

The first contains (i) the number of expected-payoff maximizing bids for each subject and (ii) whether the subject’s bids in part I are weakly increasing in signal (if so, the index is 1, or 0 otherwise). These files have “-a” in their file names.

The second displays the actual sets of expected-payoff maximizing bids for each subject in part II. These files have “-i” in their file names.

¹For the i -th subject, $(i - 1) \times 22 + j$ is her bid for signal $j - 1$ in part I where $j \in \{1, \dots, 11\}$ and $(i - 1) \times 22 + (11 + j)$ is her bid for signal $j - 1$ in part II where $j \in \{1, \dots, 11\}$. Hence, this order contains the information regarding the corresponding signals and parts.