

Retake exam
Behavioral and Experimental Economics
spring 2017

NOTE: you can receive a total of 20 points in this exam. Please answer the questions in English.

1. Methodology (6 points):

Alice runs an experiment where participants play game G for one single period. Bob runs an experiment where participants play game G for multiple periods with feedback after each round. The results in the two experiments differ. Name and discuss three possible reasons for the observed differences between the two designs.

2. Dictator games (7 points):

a) Briefly discuss four factors that might influence dictator giving.

b) Consider the following variant on a dictator game: The dictator is given \$10 and has to decide about a transfer to another anonymous person (recipient). Possible allocations (dictator – recipient) are 10-0, 9-1, 8-2, 7-3, etc.

After making their decision about the transfer to the recipient, the dictators are given an exit option, i.e., they could take \$9 and the recipient would never learn about the game (note that this results in an allocation 9-0.) Discuss what you expect in this experiment to happen.

3. Labor markets (7 points):

You have a job interview with the HR department of a fitness club that relies on independent coaches to sign up to host individual training sessions. The club considers new incentive options for its coaches to sign up regularly and for slots throughout the month. Discuss (based on results from the literature discussed in class) workers possible reactions to different reward schemes.

Good luck!