

# Instructions classroom experiment

## 1. Sorting of groups of words

Please sort the following words into meaningful phrases. In each line you should omit one word. [...] Please use no more than about 20-30 seconds per line. Afterwards, just move on to the next line. If you think there are two ways to form a phrase, choose one.

[ Here followed the 20 groups of words. Direct translations are sometimes difficult due to grammatical reasons]

Groups of words in the control treatment:

1. saw - chair - leg - four - have
2. different - use - material - dog - artist
3. like - pick- woodpecker - chicken - cereal
4. help - morning - alarm clock - usually - ring
5. drink - Muesli - taste good - breakfast - for
6. low - clouds - thick - be - fog
7. leaf - tree - have - green - smile
8. often - sweets - stairs - kids - like
9. light - air - need - living things - a lot of
10. chair - drink - good - office - need
11. cover - have - book - page - thin
12. sometimes - bring - eat - clouds - rain
13. fall - autumn - in - leaf - rustle
14. cake - step - crunch - snow - under
15. change - time - pass - music - the
16. well - taste - better - shall - food
17. hive - live - chicken - in - bee
18. lunch - noon - be - drop - at
19. salty - different - skewed - sea - be
20. faster get run computers ever

Groups of words in the social treatment (groups not specified are as in the neutral treatment):

1. people - live - stone - happy - longer
3. work - be - bred - shall - fulfilling
4. man - fork - being - social - be
6. help = parents - children - table - their
9. friend - enjoyable - meet - be - nice
11. poor - help - Mother Theresa - the - blue
13. heart - hair - cause - problem - stress
14. make - happy - eat - people = friendship

- 17. recommend - the - cup - Dalai Lama - compassion
- 19. help - sport - mouse - club - volunteer

Groups of words in the material treatment (groups not specified are as in the neutral treatment):

- 1. company - customer - better - big - pay
- 3. salary - have - chair - consultant - high
- 4. car - glass - fast - expensive - be
- 6. successful - tree - profit - company - make
- 9. increase - high - almost - motivation - wage
- 11. be - jewelry - protect - precious - suit
- 13. million - pay - can - lottery - shall
- 14. become - fast - smart - rich - investor
- 17. can - problem - task - solve - money
- 19. have - price - come - its - comfort

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Statistics:

Major:

Semester:

Age:

Sex:                   o    female                   o    male

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Thank you for sorting the words! Now you still have the opportunity to earn a certain amount of money. In order for that not to be boring, we do this in the form of a small game. The rules of the game can be found on page 2.

## 2. Game

You just have "virtually" received 5 EUR. You can invest part of it or the whole amount in a lottery. Afterwards we flip a coin. If the coin shows "heads", you receive three times your invested amount. In addition you receive the remaining amount of the 5 EUR that you did not invest. If the coin shows "tails", you receive only the remaining amount of the 5 EUR that you did not invest.

Ex. 1: You received 5 EUR. You invest 1.13 EUR. a) The coin shows heads. You receive  $3 \cdot 1.13 \text{ EUR} = 3.39 \text{ EUR}$ , and  $5.00 \text{ EUR} - 1.13 \text{ EUR} = 3.87 \text{ EUR}$  as the remaining amount. This means that overall you receive  $3.39 \text{ EUR} + 3.87 \text{ EUR} = 7.26 \text{ EUR}$ . b) The coin shows tails. You receive only the remaining amount, i.e., 3.87 EUR.

Ex. 2: You received 5 EUR. You invest 4.32 EUR. a) The coin shows heads. You receive  $3 \cdot 4.32 \text{ EUR} = 12.96 \text{ EUR}$ , and  $5.00 \text{ EUR} - 4.32 \text{ EUR} = 0.68 \text{ EUR}$  as the remaining amount. This means that overall you receive  $12.96 \text{ EUR} + 0.68 \text{ EUR} = 13.64 \text{ EUR}$ . b) The coin shows tails. You receive only the remaining amount, i.e., 0.68 EUR.

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After you state the amount you want to invest below, we collect the sheets. Then we randomly draw 25 numbers. For the sheets with these numbers we pay you according to your investment and the flip of the coin. We flip a coin separately for each of the 25 numbers. You can pick up your payoff immediately after the lecture, or at the secretaries office.

[ Here followed some technical remarks regarding the identification of sheets with subjects. ]

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Now please state the amount you would like to invest in the lottery. The amount should be between 0.00 EUR and 5.00 EUR:

I invest    .       EUR in the lottery.

Instead of playing the game, we could simply have given you a fixed amount of money. What minimum amount of money would you have preferred over your participation in the game?

at least    .       EUR

## **Instructions laboratory experiment**

Welcome and thanks for participating in this experiment! Please remain silent and turn off your mobile phones. Please note that during the entire experiment it is not allowed to exchange information with other participants. If you do not follow these rules, we have to stop the experiment and you will not receive any payments. If you have any questions, please raise your hand. We will answer your question(s) individually. Please do not ask your question(s) aloud.

All your decisions are treated anonymously. You will be paid your show-up fee of 2.50 Euro and all amounts you will earn during the experiment at the end of the experiment in cash, without other participants being able to see your payoff.

### **Procedure**

#### **Part 1**

You sort groups of words into meaningful phrases in good German. The groups of words are shown on screen as soon as the experiment starts.

#### **Part 2**

You receive an endowment of 5.00 EUR. You can invest this endowment partly or fully in a lottery. Once you have done this, we come to you and you flip a coin. If the coin shows "heads", your investment is tripled. In addition, you receive the remains of the 5.00 EUR that you did not invest. If the coin shows "tails", you receive only the remains of the 5.00 EUR that you did not invest. The following examples clarify these rules.

##### **Example 1**

You receive 5.00 EUR endowment. You invest 1.13 EUR. a) The coin shows "heads". You receive  $3 \cdot 1.13 \text{ EUR} = 3.39 \text{ EUR}$ , plus  $5.00 \text{ EUR} - 1.13 \text{ EUR} = 3.87 \text{ EUR}$  remaining endowment. Overall, you therefore receive  $3.39 \text{ EUR} + 3.87 \text{ EUR} = 7.26 \text{ EUR}$ . b) The coin shows "tails". You receive only the remaining endowment, that is, 3.87 EUR.

##### **Example 2**

You receive 5.00 EUR endowment. You invest 4.32 EUR. a) The coin shows "heads". You receive  $3 \cdot 4.32 \text{ EUR} = 12.96 \text{ EUR}$ , plus  $5.00 \text{ EUR} - 4.32 \text{ EUR} = 0.68 \text{ EUR}$  remaining endowment. Overall, you therefore receive  $12.96 \text{ EUR} + 0.68 \text{ EUR} = 13.64 \text{ EUR}$ . b) The coin shows "tails". You receive only the remaining endowment, that is, 0.68 EUR.

### **Payoff**

After you flipped the coin, we prepare your payoff. During this time you answer a short questionnaire. Afterwards you receive your payoff (profit from the lottery + show-up fee) and the experiment ends.

**If you have any further questions, please raise your hand. Otherwise the experiment starts in a few moments.**