

Behavioral Economics: Questionnaire (II)

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Please answer the following questions. There are no correct or wrong answers.

Q 1: Consider the following two lotteries. Lottery 1A: you get €1,000,000 for sure. Lottery 1B: you might win €5,000,000 with 10% probability, or win €1,000,000 with 89 % probability, or nothing with a probability of 1%. Which lottery would you choose?

Lotterie	1A	1B

Q 2: Consider the following lottery: You might win €4 with 97% probability, or lose €1 with 3% probability. State a Euro amount that is just as good – no better or worse – than playing this gamble.

max € amount you would be willing to pay	
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Q 3: Imagine that the German government is preparing for the outbreak of an unusual Asian disease, which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimates of the consequences of the programs are as follows:

- If program A is adopted 400 people will die.
- If program B is adopted, there is a 1/3 probability that no one will die, and a 2/3 probability that 600 people will die.

Which one of the programs would you favor?

Program	A	B

Q 4: Consider the following game, played by all students in this room. Each player (student of behavioral economics) owns 20 tokens. Players are invited to contribute some or all of their tokens to a central pool. Your monetary payoff at the end of the game is:

$$\text{Payoff(€)} = \text{Your remaining tokens} + (1/3) \times \text{Tokens in common pool}$$

How many tokens would you contribute to the common pool (integer)?

number of tokens you would contribute	
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Q 5: Consider the following lottery: You might win €16 with 30% probability, or lose €1,50 with 70% probability. State a Euro amount that is just as good – no better or worse – than playing this gamble.

max € amount you would be willing to pay	
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Q 6: Consider the following two lotteries. Lottery 6A: you might win €1,000,000 with 11% probability, or nothing with a probability of 89%. Lottery 6B: you might win €5,000,000 with 10% probability, or nothing with a probability of 90%. Which lottery would you choose?

Lottery	6A	6B

Q 7: Imagine that you are about to purchase a jacket for €125, and a calculator for €15. The jacket salesman informs you that the jacket you wish to buy is on sale for €120 at the other branch of the store, located 20 minutes drive away. Would you make the trip to the other store?

YES	NO

Q 8: Consider the following two lotteries. Lottery 8A: you get €2 for sure. Lottery 8B: you might win €2000 with odds 1 in a thousand; otherwise win nothing. Which lottery would you choose?

Lottery	8A	8B

Q 9: Consider the following two lotteries. Lottery 9A: you might win €4 with 97% probability, or lose €1 with 3% probability. Lottery 9B: you might win €16 with 30% probability, or lose €1,50 with 70% probability. Which one would you choose?

Lottery	9A	9B