

EXPERIMENTAL AND BEHAVIORAL ECONOMICS

J. BRANDTS

MARCH 2000.

Course evaluation will be based on a class presentation. Topics for the presentation will be assigned later in the course.

READING LIST

0. GENERAL.

Davis, D. and C. Holt (1993): Experimental Economics, Princeton University Press.

Friedman, D. and S. Sunder (1994): Experimental Methods. A Primer for Economists. Cambridge University Press.

Hey, J. (1991): Experiments in Economics, Basil Blackwell, Cambridge, Massachusetts.

Kagel, J. and A. Roth (1995): The Handbook of Experimental Economics, Princeton University Press.

Al Roth's Game Theory and Experimental Economics Page, <http://www.economics.harvard.edu/~aroth/alroth.html>, contains a wealth of interesting material.

Charles Holt's personal webpage, <http://www.people.virginia.edu/~cah2k>, contains a great bibliography of exactly 2000 references in experimental economics.

1. MARKETS.

Smith, V. (1982): "Markets as Organizers of Information: Experimental Examination of the 'Hayek Hypothesis'", Economic Inquiry, vol. 20, pp. 165-179.

Smith, V. (1962): "An Experimental Study of Competitive Market Behavior", Journal of Political Economy, vo. 70, no. 2, pp. 111-137.

Plott, C. and V. Smith (1978): "An Experimental Examination of Two Exchange Institutions", Review of Economic Studies, vol. 45, no. 1, pp. 133-153.

Cason, T. and D. Friedman (1997): "Price Formation in Single Call Markets", Econometrica, vol. 65, no. 2, pp. 311-345.

Davis, D. and C. Holt (1996): “Markets with Posted Prices: Recent Results from the Laboratory”, Investigaciones Económicas, vol. XX, no. 3, 291-320.

Davis, D. and C. Holt (1994): “Market Power and Mergers in Laboratory Markets with Posted Prices”, RAND Journal of Economics, vol. 25, no.3, pp. 467-487.

Brown-Kruse, J., S. Rassenti, S. Reynolds and V. Smith (1994): “Bertrand-Edgeworth Competition in Experimental Markets”, Econometrica, vol. 62, no. 2, pp. 343-371.

Rassenti, S., S. Reynolds, S., V. Smith, and F. Szidarovszky (2000): “Adaptation and convergence of behavior in repeated experimental Cournot games”, Journal Of Economic Behavior And Organization, vol. 41, no. 2, pp. 117-146.

Holt, C. (1995): “Industrial Organization: A Survey of Laboratory Research”, in The Handbook of Experimental Economics, Princeton University Press, pp. 349-444.

Sunder, S. (1995): “Experimental Asset Markets: A Survey”, in The Handbook of Experimental Economics, Princeton University Press, pp. 445-500.

Kagel, J. (1995): “Auctions: A Survey of Experimental Research”, ”, in The Handbook of Experimental Economics, Princeton University Press, pp. 501-585.

2. SOCIAL PREFERENCES, MOTIVATION AND COOPERATION.

Bolton, G. (1998): “Bargaining and Dilemma Games: From Laboratory Data Towards Theoretical Synthesis”, Experimental Economics, vol. 1, no. 3, pp.257-281.

Ledyard, J, (1995): “Public Goods: A Survey of Experimental Research”, in The Handbook of Experimental Economics, Princeton University Press, pp.111-194.

Isaac, M. and J. Walker (1988): “Group Size Effects in Public Goods Provision: The Voluntary Contribution Mechanism”, Quarterly Journal of Economics, vol. 103, pp. 179-200.

Isaac M., J. Walker and A. Williams (1994): “Group Size and the Voluntary Provision of Public Goods. Experimental Evidence Utilizing Large Groups”, Journal of Public Economics, vol. 54, pp. 1-36.

Offerman, T., J. Sonnemans and A. Schram (1996): “Value Orientations, Expectations and Voluntary Contributions in Public Goods”, The Economic Journal, vol. 106, pp. 817-845.

Bolton, Gary E., Jordi Brandts and Axel Ockenfels (1998), “Measuring Motivations for the Reciprocal Responses Observed in a Simple Dilemma Game”, Experimental Economics, 1, 207-219.

Bolton, Gary E., Jordi Brandts and Elena Katok (2000): "How Strategy Sensitive Are Contributions? A Test of Six Hypotheses in a Two-person Dilemma Game", Economic Theory, vol. 15, no. 2, pp. 367-387.

Brandts, Jordi and Gary Charness (1999), "Retribution in a Cheap-talk Experiment", mimeo.

Brandts, Jordi and Carles Solà (1998), "Reference Points and Negative Reciprocity in Simple Sequential Games", Games and Economic Behavior, forthcoming.

Brandts, J., T. Saijo and A. Schram (1999): "A Four Country Comparison of Spite and Cooperation in Voluntary Contribution Mechanisms", mimeo.

Fehr, Ernst, Simon Gaechter and Georg Kirchsteiger (1997), "Reciprocity as a Contract Enforcement Device: Experimental Evidence", Econometrica, 65, 4, 833-860.

Fehr, Ernst and Klaus Schmidt (1999), "A Theory of Fairness, Competition and Cooperation", Quarterly Journal of Economics, vol. CXIV, pp. 817-868..

Hoffman, Elizabeth, Kevin McCabe, Jason Shachat and Vernon L. Smith (1994), "Preferences, Property Rights and Anonymity in Bargaining Games", Games and Economic Behavior, 7, 346-380.

Bolton, Gary E. and Axel Ockenfels (1997), "ERC: A Theory of Equity, Reciprocity and Competition", American Economic Review, forthcoming, can be obtained from Bolton's webpage <http://www.personal.psu.edu/faculty/g/e/geb3/>.

Fehr, Ernst, Georg Kirchsteiger and Arno Riedl (1993), "Does Fairness Prevent Market Clearing ? An Experimental Investigation", Quarterly Journal of Economics, 108, 2, 437-460.

Rabin, Matthew (1993), "Incorporating Fairness into Game Theory and Economics", American Economic Review, 83, 1281-1302.

3. GAMES AND LEARNING.

Brandts, J. and C. Holt (1993): "Adjustment Patterns and Equilibrium Selection in Experimental Signaling Games", International Journal of Game Theory, vol. 22, no.3, pp. 279-302.

Brandts, J. and C. Holt (1995): "Limitations of Dominance and Forward Induction", Economics Letters, vol. 49, no. 4, pp. 391-395.

Brandts, J. and W.B. MacLeod (1995): "Equilibrium Selection in Experimental Games with Recommended Play", Games and Economic Behavior, vol. 8, pp.36-63.

Gale, J., K. Binmore and L. Samuelson (1995): “Learning to Be Imperfect: The Ultimatum Game”, Games and Economic Behavior, vol. 8, pp. 56-90.

Nagel R. (1995): “Unraveling in Guessing Games: An Experimental Study”, American Economic Review, vol. 85, no. 5, 1313-1326.

Roth, A. and I. Erev (1995): “Learning in Extensive-Form Games: Experimental Data and Simple Dynamic Models in the Intermediate Term”, Games and Economic Behavior, vol. 8, pp. 164-212.

Goeree, J. and C. Holt (2000): “Ten little treasure of game theory and ten intuitive contradictions”, mimeo, can be obtained from Holt’s webpage.

Capra, M., J. Goeree, R. Gomez and C. Holt (1999): “Anomalous Behavior in a Traveler’s Dilemma”, American Economic Review, vol. 89, no.3, pp. 678-690.

McKelvey, R. and T. Palfrey (1998): “Quantal Response Equilibria for Extensive Form Games”, Experimental Economics, vol. 1, no. 1, pp. 9-41.

Camerer, C. and T. Ho (1999): “Experience Weighted Attraction Learning in Normal Form Games”, Econometrica.

Erev I. and A. Roth (1999): “Predicting How People Play Games: Reinforcement Learning in Experimental Games with Unique Mixed Strategy Equilibrium”, American Economic Review, vol. 88, no. 4, pp. 848-888.

4. INDIVIDUAL DECISION MAKING.

Camerer, C. (1998): “Bounded Rationality in Individual Decision Making”, Experimental Economics, vol. 1, no. 2, pp. 163-183.