

Instructions

This is a simple card game. Each of you will be given 2 cards; one of these cards is red (hearts or diamonds) and one of these cards is black (clubs or spades). The exercise will consist of a number of rounds (you have 15 rounds listed on your record sheet - we will probably complete fewer than 15 rounds). When a round begins I will ask you to decide which ONE of these two cards to play. You will play a card by holding it to your chest, with the color facing toward you so no one else can see what card you played. Your earnings in dollars are determined by what you do with your red card.

In the first several rounds: you will earn \$4 if you keep your red card and \$0 if you keep your black card. Red cards that are played will affect everyone's earnings in the following manner. I will count up the number of red cards played, and everyone will earn this number of dollars. Black cards played have no effect on the count.

To summarize, your earnings for the period will be calculated as:

$$\text{Earnings} = \$4 \text{ (if you kept your red card)} + \$1 \times \text{(total number of red cards played)}$$

After several rounds, I will announce a change in the earnings for keeping a red card. Red cards played will always earn \$1 for each person. Use the space below to record your decisions, your (hypothetical) earnings, and your cumulative earnings.

(1) Period	(2) # of red cards kept (0 or 1)	(3) Earnings for each red card kept	(4) Earnings for cards kept	(5) \$1 x (total # of red cards played)	(6) Your earnings in this period (4) + (5)	(7) Cumulative Earnings
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						