

Syllabus for Graduate Experimental Economics. Dr. Nat Wilcox, Spring 2008.

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This course introduces you to design and methods in parts of experimental economics through detailed exposure to a limited number of well-known experimental papers. I say “parts” of experimental economics because I will focus the reading on topics in which I have some expertise (this means that I can credibly supervise a thesis in such topics). Primarily, that means individual decision making under risk, over time or both (dynamic consumption/saving under uncertainty in particular), learning and econometric methods associated with all that work. However, we will talk on the first day of class about your own particular interests, and I will spend two weeks on two topics that we agree on (obviously, these are to be determined soon).

Your job during the semester is to read whatever papers are assigned for each class period (probably two to four papers each week) with extraordinary care, noting your questions and criticisms for the purpose of class discussion. Moreover, you must write either a literature review or a proposal for an experiment of your own.

50% of your grade in this class will be based on my impression of how prepared you are for class and how much you participate in class discussions—that is, the quality of your questions, answers, commentary, and criticisms in the classroom. Being helpful to your classmates—that is, paying close attention to their questions and comments too, and helping or criticizing them in a professional and courteous manner—is also encouraged, and I will also take this into consideration. Repeated failure to contribute to discussions in ways that show you read the assigned papers will surely prevent you from receiving an A in this class.

The other 50% of your grade will be a research paper of twenty or so double-spaced pages with 1 inch margins using Times New Roman 12-point font. Either create everything you are to give me in MS Word or print things to an adobe acrobat file, so that you can submit electronically and I can open them on my computer (I have Word and Acrobat only). The paper should be either a critical survey of papers in experimental economics (sometimes also political science, psychology or sociology as well, depending on your subject matter) that are read and reviewed by you. Or instead, you can write a proposal for your own experiment about some particular matter: Such a paper would contain a short literature review, statement of two or more theories you mean to pit against one another, and a design for the proposed experiment.

I recommend that you plan to do the paper during summer 2008, since it will be difficult for you to pick out a topic until you have covered some variety of experimental papers during the class. In that case, I will give you an incomplete BUT the paper MUST be handed in by August 15<sup>th</sup>, 2008. If you want to try to write the paper during this semester, that is fine, but I will have to see a bibliography from you no later than March 20<sup>th</sup> so that I can make suggestions about your reading list and still leave you the time to finish the paper by the end of the spring semester. In that case you must hand in the completed paper by May 7<sup>th</sup>, which will give me time to read it and grade it before the semester officially ends on May 9<sup>th</sup>.

The syllabus that follows is very extensive: You should consider this your detailed bibliography from me if you plan to do an experimental dissertation. The required readings for this class are marked with an asterisk (\*); others are recommended or helpful but not required. Required readings that are available from the library’s electronic databases are followed by “ELEC”—go to this url and search the journal name: <http://ezproxy.lib.uh.edu/login?url=http://atoz.ebsco.com/home.asp?Id=houston> (this is a login page...you need your peoplesoft id). Any current working paper available on the internet is followed by “WEB” and a url. You may have to track down some papers in the library or by interlibrary loan. Work together immediately (this week), splitting up duties for getting and copying papers.

**Useful background books** (none required for this class but if you write an experimental thesis these are extremely helpful for getting up-to-date).

Conover. 1980. Practical Nonparametric Statistics, 2nd edition. Wiley.

Siegel and Castellan. 1988. Nonparametric Statistics for the Behavioural Sciences, 2nd edition. McGraw-Hill.

Friedman and Sunder. 1994. Experimental Methods: A Primer for Economists. Cambridge.

Kagel and Roth. 1995. The Handbook of Experimental Economics. Princeton.

Friedman and Cassar. 2004. Economics Lab: An Intensive Course in Experimental Economics. Routledge.

Carbone and Starmer. 2007. New Developments in Experimental Economics Volumes I and II. Elgar.

Kahneman, Slovic and Tversky. 1982. Judgment under uncertainty: Heuristics and biases. Cambridge.

Elster and Loewenstein. 1992. Choice over time. Russell Sage.

Payne, Bettman and Johnson. 1993. The Adaptive Decision Maker. Cambridge.

Kahneman and Tversky. 2000. Choices, Values and Frames. Cambridge.

Camerer, Loewenstein and Rabin. 2003. Advances in Behavioral Economics. Princeton.

Binmore. 1994 and 1998. Game Theory and the Social Contract Volumes I and II (Playing Fair and Just Playing, respectively). MIT.

Camerer. 2003. Behavioral Game Theory: Experiments on Strategic Interaction. Princeton.

**Philosophical Touchstones** (none required, but good to chew on)

Friedman, M. 1953. The methodology of positive economics. In M. Friedman, *Essays in Positive Economics*. Chicago: University of Chicago Press.

Simon, H. 1969. Understanding the natural and the artificial worlds. In H. Simon, *The Sciences of the Artificial*. Cambridge, MA: MIT Press.

Churchland, P. 1981. Eliminative materialism and the propositional attitudes. *Journal of Philosophy* 78:67-90.

Marr, D. 1982. Introduction: The philosophy and the approach. In D. Marr, *Vision*. New York: W. H. Freeman and Co.

Ross, D. 2004. *Economic Theory and Cognitive Science: Microexplanation*. Cambridge: MIT Press.

## Papers

### 1. Methodology

#### Week 1: Incentive Mechanisms I—Induced Value, Payoff Dominance, Hypothetical versus Real Commitments

- \* Siegel, S. and D. Goldstein. 1959. Decision-making behavior in a two-choice uncertain outcome situation. *Journal of Experimental Psychology: General* 57:37-42. ELEC.
- \* Smith, V. 1976. Experimental economics: Induced value theory. *American Economic Review* 66: 274-279. ELEC.
- \* Harrison, G. 1989. Theory and misbehavior of first-price auctions. *American Economic Review* 79:749-62. ELEC.
- \* Cummings, R., G. Harrison and E. Rutström. 1995. Homegrown Values and Hypothetical Surveys: Is the Dichotomous Choice Approach Incentive-Compatible? *American Economic Review* 85:260-266. ELEC.

#### Week 2: Incentive Mechanisms II--Risk and Time.

- \* Grether, D. and C. Plott. 1979. Economic theory of choice and the preference reversal phenomenon. *American Economic Review* 69:623-38. ELEC.
- Holt, C. 1986. Preference reversals and the independence axiom. *American Economic Review* 76:508-515.
- Karni, E. and Z. Safra. 1987. 'Preference reversal' and the observability of preferences by experimental methods. *Econometrica* 55:675-85.
- \* Starmer, C. and R. Sugden. 1991. Does the random-lottery incentive system elicit true preferences? An experimental investigation. *American Economic Review* 81:971-978. ELEC.
- Harless, D. 1992. Actions versus prospects: The effect of problem representation on regret. *American Economic Review* 92:634-649. ELEC.
- Wilcox, N. 1993. On a lottery pricing anomaly: Time tells the tale. *Journal of Risk and Uncertainty* 7:311-324
- \* Wilcox, N. 1993. Lottery choice: Incentives, complexity, and decision time. *Economic Journal* 103:1397-1417. ELEC.
- Cox, J. and D. Grether. 1996. The preference reversal phenomenon: Response mode, markets and incentives. *Economic Theory* 7:381-405. ELEC.
- \* Collier, M. and M. Williams. 1999. Eliciting individual discount rates. *Experimental Economics* 2:107-127. ELEC.

\* Selten, R., A. Sadrieh and K. Abbink. 1999. Money does not induce risk neutral behavior, but binary lotteries do even worse. *Theory and Decision* 46:211-49. ELEC.

Camerer, C. and R. Hogarth. 1999. The effects of financial incentives in experiments: A review and capital-labor-production framework. *Journal of Risk and Uncertainty* 1999:7-42.

### Week 3: Beliefs.

Nisbett, R. and T. Wilson. 1977. Telling more than we can know: Verbal reports on mental processes. *Psychological Review* 84:231-259. ELEC.

Ericsson, K., and H. Simon. 1980. Verbal reports as data. *Psychological Review* 87:215-51.

\* Conway, Michael, and Michael Ross. 1984. Getting what you want by revising what you had. *Journal of Personality and Social Psychology* 47:738-748. ELEC.

Holt, C. 1986. Scoring-rule procedures for eliciting subjective probability and utility functions. In P. Goel and A. Zellner, eds., *Bayesian Inference and Decision Techniques: Essays in Honor of Bruno de Finetti*. Amsterdam: North Holland Press.

\* Wright, W., and M. Aboul-Ezz. 1988. Effects of extrinsic incentives on the quality of frequency assessments. *Organizational Behavior and Human Decision Processes* 41: 143–52. ELEC.

Ross, Michael. 1989. Relation of implicit theories to the construction of personal histories. *Psychological Review* 96:341-357.

\* Croson, R. 2000. Thinking like a game theorist: Factors affecting the frequency of equilibrium play. *Journal of Economic Behavior and Organization* 41:299-314. ELEC.

Manski, C. 2002. Identification of decision rules in experiments on simple games of proposal and response. *European Economic Review* 46:880-891.

\_\_\_\_\_. 2004. Measuring expectations. *Econometrica* 72:1329-76.

\* Rutström and Wilcox. 2007. Stated beliefs versus inferred beliefs: A methodological inquiry and experimental test. WEB at my webpage working papers link.

### Week 4: Artificial and Artefactual Aspects of Laboratories.

\* Winkler, R. and A. Murphy. 1973. Experiments in the laboratory and the real world. *Organizational Behavior and Human Performance* 10:252-270. ELEC.

\* Hoffman, E. and M. Spitzer. 1985. Entitlements, rights and fairness: An experimental examination of subjects' concepts of distributive justice. *Journal of Legal Studies* 14:259-297. ELEC.

Harrison, G. and M. McKee. 1985. Experimental evaluation of the Coase Theorem. *Journal of Law and Economics* 28:653-670.

\* Dyer, D., J. Kagel and D. Levin. 1989. A comparison of naïve and experienced bidders in common value offer auctions: A laboratory analysis. *Economic Journal* 99:108-115. ELEC.

\* Dyer, D. and J. Kagel. 1996. Bidding in common value auctions: How the commercial construction industry corrects for the winner's curse. *Management Science* 42:1463-1475. ELEC.

Starmer, C. 1999. Experiments in economics: Should we trust the dismal scientists in white coats? *Journal of Economic Methodology* 6:1-30.

\* List, J. 2004. Neoclassical Theory Versus Prospect Theory: Evidence from the Marketplace. *Econometrica* 72:615-25. ELEC.

Harrison, G. and J. List. 2004. Field experiments. *Journal of Economic Literature* 42: 1013-1059.

#### Miscellaneous: Surveys, Monte Carlo Studies and Creative Methodological Innovations.

Smith, V. 1982. Microeconomic systems as an experimental science. *American Economic Review* 72:923-55.

Roth, A. 1988. Laboratory experimentation in economics: A methodological overview. *Economic Journal* 98:974-1031.

Moir, R. 1998. A Monte Carlo analysis of the Fisher randomization technique: Reviving randomization for experimental economists. *Experimental Economics* 1:87-100.

Loewenstein, G. 1999. Experimental economics from the vantage-point of behavioral economics. *Economic Journal* 109:25-34.

Salmon, T. 2001. An evaluation of econometric models of adaptive learning. *Econometrica* 69:1597-1628.

Costa-Gomes, M., V. Crawford and B. Broseta. 2001. Cognition and behavior in normal-form games: An experimental study. *Econometrica* 69:1193-1235.

McCabe, K., D. Houser, L. Ryan L, V. Smith and T. Trouard. 2001. A functional imaging study of "theory of mind" in two-person reciprocal exchange. *Proceedings of the National Academy of Sciences* 98:118-32.

Weber, R. and C. Camerer. 2003. Cultural conflict and merger failure: An experimental approach. *Management Science* 49:400-415.

Feltoch, N. 2003. Nonparametric tests of differences in medians: Comparison of the Wilcoxon-Mann-Whitney and robust rank-order tests. *Experimental Economics* 6:273-297.

Wilcox, N. 2007. Predicting risky choices out-of-context: A Monte Carlo study. University of Houston Department of Economics Working Paper.

## 2. Individual Decisions: Uncertainty, Risk, Ambiguity and Intertemporal Risky Choice (Saving)

Von Neumann, J. and O. Morgenstern. 1947. *Theory of Games and Economic Behavior*. Princeton, NJ: Princeton Univ. Press.

Savage, L. 1953. *The foundations of statistics*. New York: Wiley.

Allais, M. 1954. Le comportement de l'homme rationnel devant le risque: Critique des postulats et axiomes de l'école Américaine. *Econometrica* 21:503-46.

Myers, J. L. and E. Sadler. 1960. Effects of range of payoffs as a variable in risk taking. *Journal of Experimental Psychology* 60: 306-309.

Ellsberg, D. 1961. Risk, ambiguity, and the Savage axioms. *Quarterly Journal of Economics* 75:643-69.

\* Becker, G. M., DeGroot, M. H. and Marschak, J. (1963a). Stochastic models of choice behavior. *Behavioral Science* 8: 41-55.

\* \_\_\_\_\_ (1963b). An experimental study of some stochastic models for wagers. *Behavioral Science* 8: 199-202.

Pratt, J. 1964. Risk aversion in the small and in the large. *Econometrica* 32: 122-136.

Luce, R. D. and P. Suppes. 1965. Preference, utility and subjective probability. In R. D. Luce, R. R. Bush and E. Galanter (eds.), *Handbook of mathematical psychology Vol. III*. Wiley, New York, pp. 249-410.

\* Tversky, A. 1969. Intransitivity of preferences. *Psychological Review* 76:31-48. ELEC.

Lichtenstein, S. and P. Slovic. 1971. Reversals of preference between bids and choices in gambling decisions. *Journal of Experimental Psychology* 89:46-55.

Tversky, A. 1972. Elimination by aspects: A theory of choice. *Psychological Review* 76:31-48.

\* Russo, J. and L. Rosen. 1975. An eye fixation analysis of multi-alternative choice. *Memory and Cognition* 3:267-276.

\* Payne, J. W. 1976. Task complexity and contingent processing in decision making: An information search and protocol analysis. *Organizational Behavior and Human Performance* 16:366-387. ELEC.

\* Kahneman, D. and A. Tversky. 1979. Prospect theory: An analysis of decisions under risk. *Econometrica* 47:263-91. ELEC.

Huber, J., J. Payne and C. Puto. 1982. Adding asymmetrically dominated alternatives: Violations of regularity and the similarity hypothesis. *Journal of Consumer Research* 9:90-98.

Payne, J. 1982. Contingent decision behavior. *Psychological Bulletin* 92:382-402

Quiggin, J. 1982. A theory of anticipated utility. *Journal of Economic Behavior and Organization* 3:323-43.

Machina, M. 1982. 'Expected utility' analysis without the independence axiom. *Econometrica* 50:277-324.

Einhorn, H. and R. Hogarth. Einhorn, H.J. & Hogarth, R.M. (1986). Decision making under ambiguity. In R. Hogarth and M. Reder, eds., *Rational Choice*. Chicago: University of Chicago Press.

Loomes, G. and R. Sugden. 1982. Regret theory: An alternative theory of rational choice under uncertainty. *Economic Journal* 92:805-24.

Russo, J. and B. Doshier. 1983. Strategies for multiattribute binary choice. *Journal of Experimental Psychology: Learning, Memory and Cognition* 9:676-96.

Machina, Mark. 1985. Stochastic choice functions generated from deterministic preferences over lotteries. *Economic Journal* 95:575-94.

Curley, S., J. F. Yates and R. Abrams. 1986. Psychological sources of ambiguity avoidance. *Organizational Behavior and Human Decision Processes* 38:230-256.

\* Machina, Mark. 1987. Choice under uncertainty: Problems solved and unsolved. *Journal of Economic Perspectives* 1:121-54. ELEC.

Frisch, D. and J. Baron. 1988. Ambiguity and rationality. *Journal of Behavioral Decision Making* 1:149-57.

\* Hey, J. and Dardanoni, V. 1988. Optimal Consumption Under Uncertainty: An Experimental Investigation. *Economic Journal* 98(supplement):105-16. ELEC.

Payne, J., J. Bettman and E. Johnson. 1988. Adaptive strategy selection in decision making. *Journal of Experimental Psychology: Learning, Memory and Cognition* 14:534-552.

Rubinstein, A. 1988. Similarity and decision-making under risk. *Journal of Economic Theory* 46:145-53.

Camerer, C. 1989. An experimental test of several generalized utility theories. *Journal of Risk and Uncertainty* 2:61-104.

Kim, H. 1989. An Experimental Study of Consumption: Test of the Permanent Income and Life Cycle Hypotheses. Unpublished dissertation, Indiana University.

Tversky, A., P. Slovic and D. Kahneman. 1990. The causes of preference reversal. *American Economic Review* 80:204-17.

Tversky, A. and D. Kahneman. 1992. Cumulative prospect theory: An analysis of decision under uncertainty. *Journal of Risk and Uncertainty* 5:297-323.

Harless, D. 1992. Actions versus prospects: The effect of problem representation on regret. *American Economic Review* 82:634-49.

\* Busemeyer, J. and J. Townsend, 1993, Decision field theory: A dynamic-cognitive approach to decision making in an uncertain environment. *Psychological Review* 100: 432-59. ELEC.

Camerer, C. and M. Weber. 1992. Recent developments in modeling preferences: Uncertainty and Ambiguity. *Journal of Risk and Uncertainty* 5:325-70.

\* Harless, D. and Camerer, C. 1994. The predictive utility of generalized utility theories. *Econometrica* 62:1251-89. ELEC.

\* Hey, J. and C. Orme. 1994. Investigating generalizations of expected utility theory using experimental data. *Econometrica* 62:1291-1326. ELEC.

Leland, J. 1994. Generalized similarity judgments An Alternative Explanation for Choice Anomalies. *Journal of Risk and Uncertainty* 9:151-72.

Harrison, G. 1994. Expected utility and the experimentalists. *Empirical Economics* 19:223-253.

\* El Gamal, M. and Grether, D. 1995. Are People Bayesian? Uncovering Behavioral Strategies. *Journal of the American Statistical Association* 90:1137-45. ELEC.

Fox, C. and A. Tversky. 1995. Ambiguity aversion and comparative ignorance. *Quarterly Journal of Economics* 110:585-603.

Loomes, G. and R. Sugden, 1995, Incorporating a stochastic element into decision theories. *European Economic Review* 39, 641-648.

Fox, C., B. Rogers and A. Tversky. 1996. Options traders exhibit subadditive decision weights. *Journal of Risk and Uncertainty* 13:5-17.

\* Ballinger, T. P. and N. Wilcox. 1997. Decisions, error and heterogeneity. *Economic Journal* 107:1090-1105. ELEC.

Bohm, P., J. Linden and J. Sonnegard. 1997. Eliciting reservation prices: Becker-DeGroot-Marschak mechanism versus markets. *Economic Journal* 107:1079-1089.

\* Carbone, E., 1997, Investigation of stochastic preference theory using experimental data. *Economics Letters* 57: 305-311.

Köhler, J. 1997. Making Saving Easy: An Experimental Investigation of Savings Decisions. University of Cambridge Department of Applied Economics Working Paper.

Loomes, G. and R. Sugden, 1998, Testing different stochastic specifications of risky choice. *Economica* 65, 581-598.

Rabin, M. 2000. Risk aversion and expected utility theory: A calibration theorem. *Econometrica* 68:1281-1292.

\* Rabin, M. and R. Thaler. 2001. Anomalies: Risk aversion. *Journal of Economic Perspectives* 15: 219–232. ELEC.

Hey, J. D. 2001. Does repetition improve consistency? *Experimental Economics* 4: 5-54.



- \* Coller, M., G. Harrison and E. Rutström. 2005. Are discount rates constant? Reconciling theory and observation. University of Central Florida Working Paper. WEB here: <http://www.bus.ucf.edu/wp/Working%20Papers/2003/03-32Glenn.pdf>
- \* Carbone, E. and J. Hey. 2004. The Effect of Unemployment on Saving: An Experimental Analysis. *Economic Journal* 114: 660-683. ELEC.
- \* Anderhub, V., Güth, W., Müller, W., and Strobel, M. 2000. An Experimental Analysis of Intertemporal Allocation Behavior. *Experimental Economics* 3:137-152. ELEC.
- \* Loomes, G., P. Moffatt and R. Sugden. 2002. A microeconomic test of alternative stochastic theories of risky choice. *Journal of Risk and Uncertainty* 24:103-130. ELEC.
- Holt, C. and S. Laury. 2002. Risk aversion and incentive effects. *American Economic Review* 92:1644-1655.
- \* Ballinger, T. P., M. Palumbo and N. Wilcox. 2003. Precautionary saving and social learning across generations: An experiment. *Economic Journal* 113:920-947. WEB on my webpage.
- \* Loomes, G., 2005, Modeling the stochastic component of behaviour in experiments: Some issues for the interpretation of data. *Experimental Economics* 8, 301-323. ELEC.
- Cox, J. and V. Sadiraj. 2006. Small- and large-stakes risk aversion: Implications of concavity calibration for decision theory. *Games and Economic Behavior* 56:45-60. ELEC.
- Blavatsky, P. 2007. Stochastic expected utility theory. *Journal of Risk and Uncertainty* 34: 259-286.
- \* Wilcox, N. 2007. 'Stochastically more risk averse:' A contextual theory of stochastic discrete choice under risk. *Journal of Econometrics* (forthcoming). WEB from my website working papers link.
- \* Wilcox, N. 2007. Stochastic models for binary discrete choice under risk: A critical stochastic modeling primer and econometric comparison. In J.C. Cox and G. W. Harrison (eds.), *Research in experimental economics Vol. 12: Risk aversion in experiments* (forthcoming). JAI Press. WEB from my website working papers link.
- G. Harrison, M. Lau and E. Rutström. 2007. Estimating risk attitudes in Denmark: A field experiment. *Scandinavian Journal of Economics* 109:341-368.
- \* Andersen, S., G. W. Harrison, M. I. Lau and E. E. Rutström. 2007. Eliciting risk and time preferences. *Econometrica* (forthcoming). WEB here: <http://www.bus.ucf.edu/wp/Working%20Papers/2005/05-24%20Harrison.pdf>
- \* Hey, J. G. Lotito and Anna Maffioletti. 2007. Choquet OK? University of York Department of Econ Working paper. WEB here: <http://www-users.york.ac.uk/~jdh1/papers/Choquet%20OK.pdf>.
- \* Cox, J., V. Sadiraj, B. Vogt and U. Dasgupta. 2007. Is there a plausible theory for risky decisions? Experimental Economics Center, Georgia State University Working Paper. WEB here: [http://excen.gsu.edu/workingpapers/GSU\\_EXCEN\\_WP\\_2007-05.pdf](http://excen.gsu.edu/workingpapers/GSU_EXCEN_WP_2007-05.pdf)
- \* Bone, J., J. Hey and J. Suckling. 2008. Do people plan? *Experimental Economics* (forthcoming). ELEC (choose Springer Science and Business, and then "Online Now" from the next window that opens).

### 3. Learning in Games.

\* Cheung, Y. and D. Friedman. 1997. Individual learning in games: Some laboratory results. Games and Economic Behavior 19:46-76.

Mookerjee, D. and B. Sopher. 1997. Learning and decision costs in experimental constant-sum games. Games and Economic Behavior 19:97-132.

\* Erev, I. and A. E. Roth. 1998. Predicting how people play games: Reinforcement learning in experimental games with unique, mixed strategy equilibria. American Economic Review 88:848-81. ELEC.

Fudenberg, D. and D. K. Levine. 1998. The Theory of Learning in Games (Economics Learning and Social Evolution). Cambridge, Mass.: MIT Press.

\* Camerer, C. and T.-H. Ho. 1999. Experience weighted attraction learning in normal-form games. Econometrica 67:827-74. ELEC.

Duffy, J. and Feltovich, N. 1999. Does Observation of Others Affect Learning in Strategic Environments? An Experimental Study. *International Journal of Game Theory* 28:131-52.

Broseta, B. 2000. Adaptive learning and equilibrium selection in experimental coordination games: An ARCH(1) approach. *Games and Economic Behavior* 32, 25–50.

Cabrales, A. and W. Garcia-Fontes. 2000. Estimating learning models from experimental data. Universidad Pompeu Fabra Department of Economics Working Paper.

Feltovich, N. 2000. Reinforcement-based vs. beliefs-based learning in experimental asymmetric-information games. *Econometrica* 68:605-641.

Schotter, A. and Sopher, B. 2003. Social learning and coordination conventions in inter-generational games: An experimental study. *Journal of Political Economy* 111:498-529.

Camerer, C., T.-H. Ho and J.-K. Chong. 2002. Sophisticated experience-weighted attraction learning and strategic teaching in repeated games. *Journal of Economic Theory* 104:137-88.

Cooper, D. and C. Stockman. 2002. Fairness and learning: An experimental examination. *Games and Economic Behavior* 41:26-45.

Hopkins, Ed. 2002. Two competing models of how people learn in games. *Econometrica* 70:2141-2166.

\* Wilcox, N. 2006. Theories of learning in games and heterogeneity bias. *Econometrica* 74:1271-1292.