



- ' **Monitoring**
- ' **Demand information**

- '
 - ' >
 - ' >
- '
 - ' >
 - ' >



- >
- >
- >
- >
- >
- >

Stochastic

,

- > **Perfect monitoring** *except* **perfect information on**

,

- > **Imperfect monitoring** **imperfect information**



>

>

D_{high} C_{high} — E C_i NE_i

>

D_{low} C_{low} — E C_i NE_i

>

>





>

>

' *high* *h*

' *medium* *m*

' *low* *l*

>

>

'

'

'

Probability of Playing the **Red** Game this Round is **20%**

26.00, 26.00 7.50, 43.00

2.10, 12.50

OK

Your Choice is "B"

Other Players' Choice is "A" Other Players' Choice is "B"

43.00, 7.50 13.50, 13.50

Your Choice: A

Your Choice is "A"

7.50, 7.50

Probability of Playing the **Blue** Game this Round is **80%**

60.0%

Other Players' Choice is "A" Other Players' Choice is "B"

Choice is "A"

7.50, 7.50 2.10, 12.50

History Table

Choice is "A"

12.50, 2.10 3.50, 3.50

Choice is "B"

12.50, 2.10 3.50, 3.50

Probability of Playing the **Blue** Game this Round is **100%**

Round 1

100%

20% Other Player's Choice is "A" Other Player's Choice is "B"

Your Choice is "A" 2.10, 2.10 3.50, 3.50

Other Player's Choice was "A" 43.00, 7.50

Your Choice is "B" 12.50, 12.50 2.10, 2.10 0.60, 3.50

Use Results of this Round to Adjust your Beliefs

12.50, 12.50

Other Player's Choice was "A"

Your Choice is "B"

43.00, 7.50

Your Choice is "B"

60%

Other Player's Choice is "B"

Your Choice is "A" 7.50, 7.50 2.10, 2.10

Your Choice was "A"

12.50, 12.50 2.10, 2.10 0.60, 3.50

Your Choice is "B" 12.50, 2.10 3.50, 3.50

Your Earnings for this Period are E\$ 12.50

Continue

20%	Other Player's Choice is "A"	Other Player's Choice is "B"
Your Choice is "A"	7.50, 7.50 2.10, 2.10	3.50, 3.50 0.60, 3.50

1.00, 1.00

Your Choice is "B"

3.50, 0.60

Round

1

Remaining Time [45]: 20

Probability of Playing the Red Game this Round is 20%

20%

Other Players Choice is 'A'

Other Players Choice is 'B'

Yes

A

THIS ROUND

Yes

Choice is "B"

4.00, 7.50

2.50, 2.50

- A
- B

Minimum Energy (Energy will be lost if you choose wrong)

0%

Other Players Choice is 'A'

Other Players Choice is 'B'

OK

60

History Table

Your Choice



20%

Other Players Choice is 'A'

Other Players Choice is 'B'

0:60:3.50

Choice is "A"

2:10:2.10

Choice is "A"

3.50, 6.50

1.00, 4.00

Choice is "A"

2:10:2.10

Round

1

20%

Other Player's Choice is "A"

Other Player's Choice is "B"

After the computer has chosen a game and your counterpart has chosen a strategy, the

26.00, 26.00 7.50, 43.00

Your Choice is "A"

Your Earned Total by the End of the Round is \$ 12.00

Your Choice is "B"

43.00, 7.50 12.50, 12.50

The possible outcomes for this round are:

Other Player's Choice is "A"

Other Player's Choice is "B"

Other Player's Choice is "B"

50%

Choice is "A"

7.50, 7.50

2.10, 12.50

Your Choice is

12.50, 2.10

3.50, 3.50

Your Choice is "B"

12.50, 12.50

0.50% probability is "A"

0.50% probability is "B"

0.50%

0.50%

0.50%

2.10, 2.10

0.60, 3.50

Your Choice is "A"

0.50%

0.50% probability is "A" 0.50% probability is "B" 0.50%

0.50%

0.50%

Your Choice is "A"



>

>

>

,

>

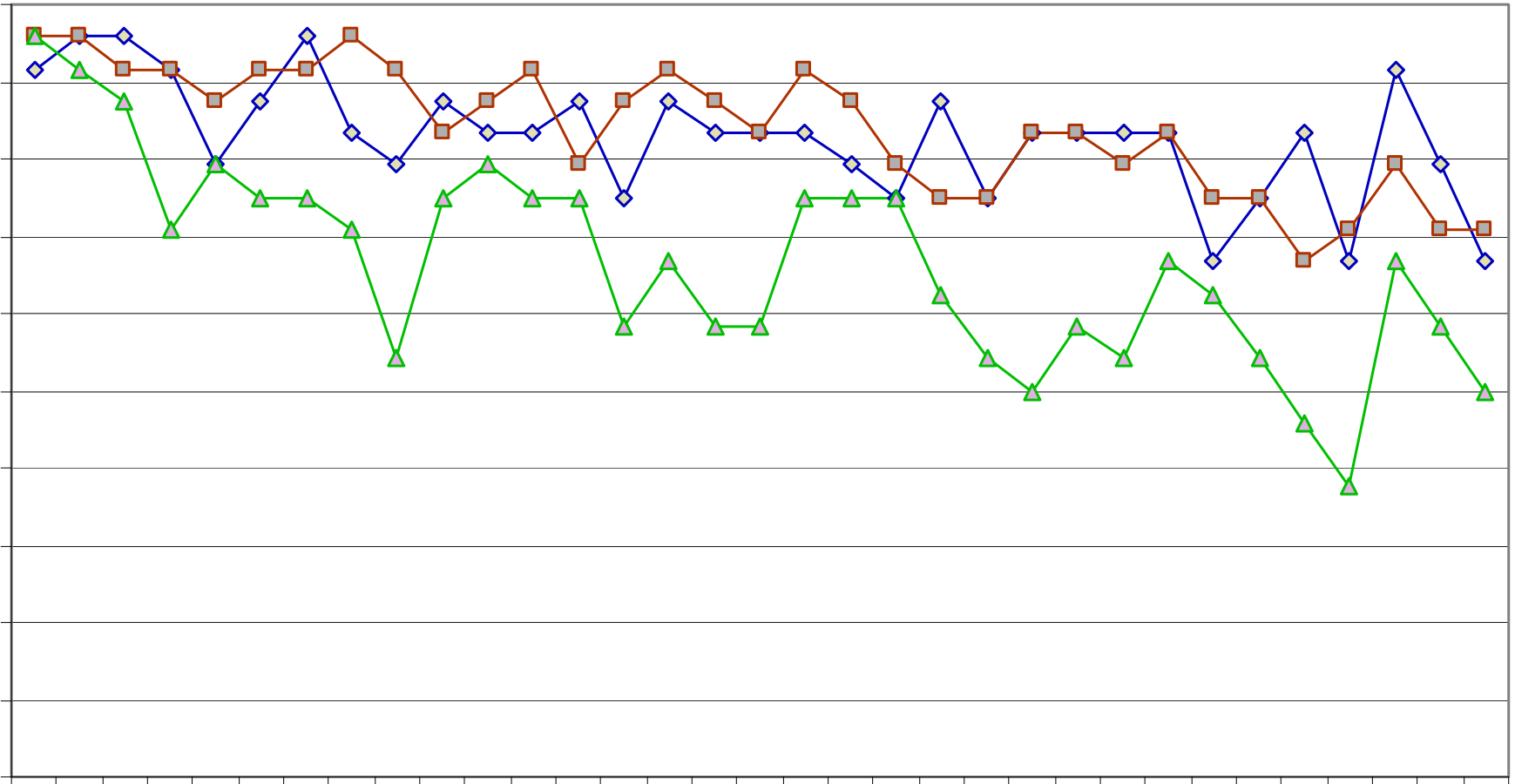
medium *low*

>

all

,

>



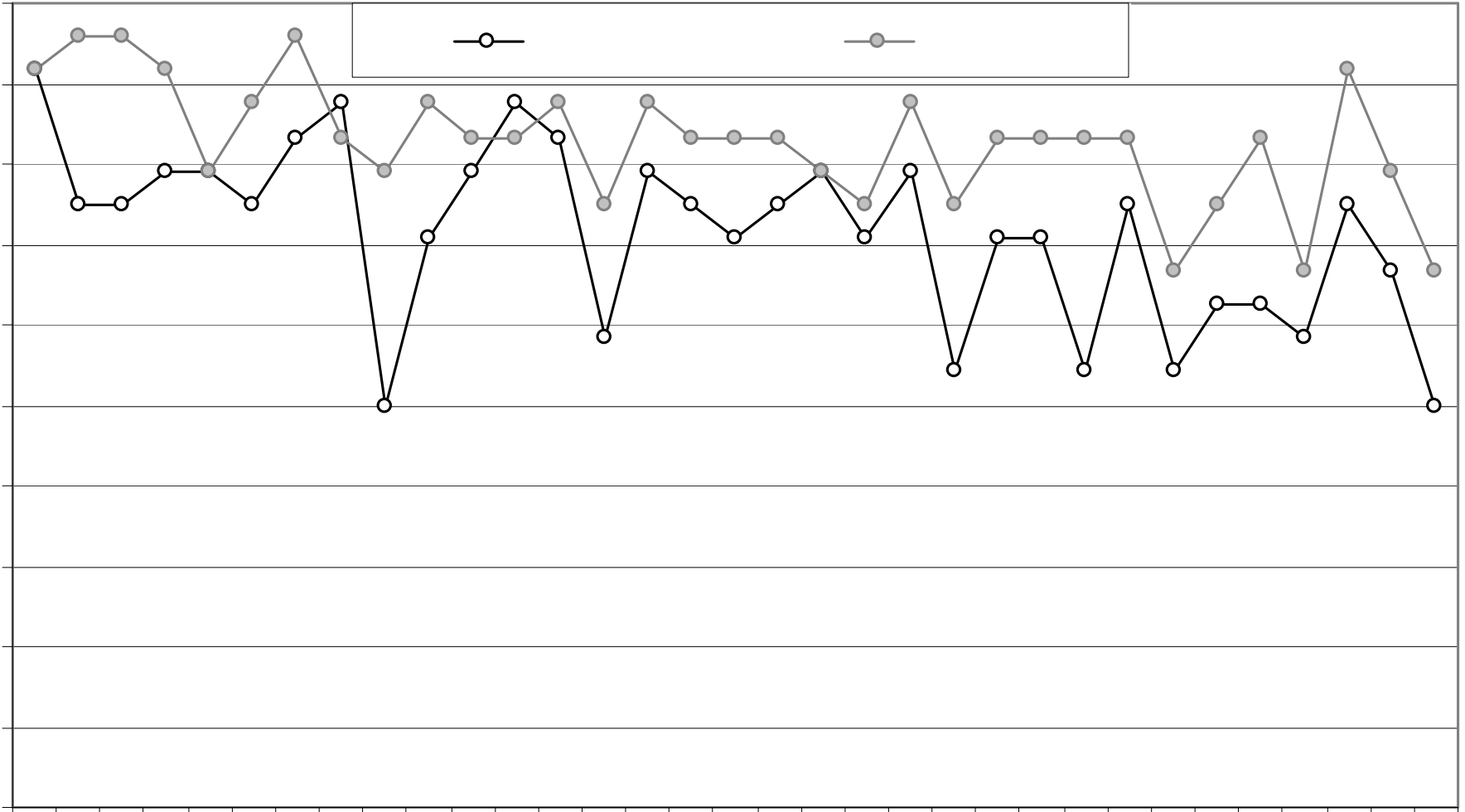


Treatment	Parameterization	Frequency of Cooperation*	Frequency of Collusion**
	2	0.83 (0.38)	0.71 (0.46)
	2	0.84 (0.37)	0.71 (0.46)
	2	0.66 (0.47)	0.41 (0.49)

L Both

L







Demand State	P	Freq. Coop.*	Freq. Collusion**
---------------------	----------	-------------------------	------------------------------

h

2

0.80 (0.40)

0.67 (0.47)

m

2

0.85 (0.36)

0.73 (0.44)

l

2

0.90 (0.30)

0.77 (0.42)



§

§

§

§

§

Parameter**Random****RS****tt****P-2****P-3****P-6****P-**



>

>

>

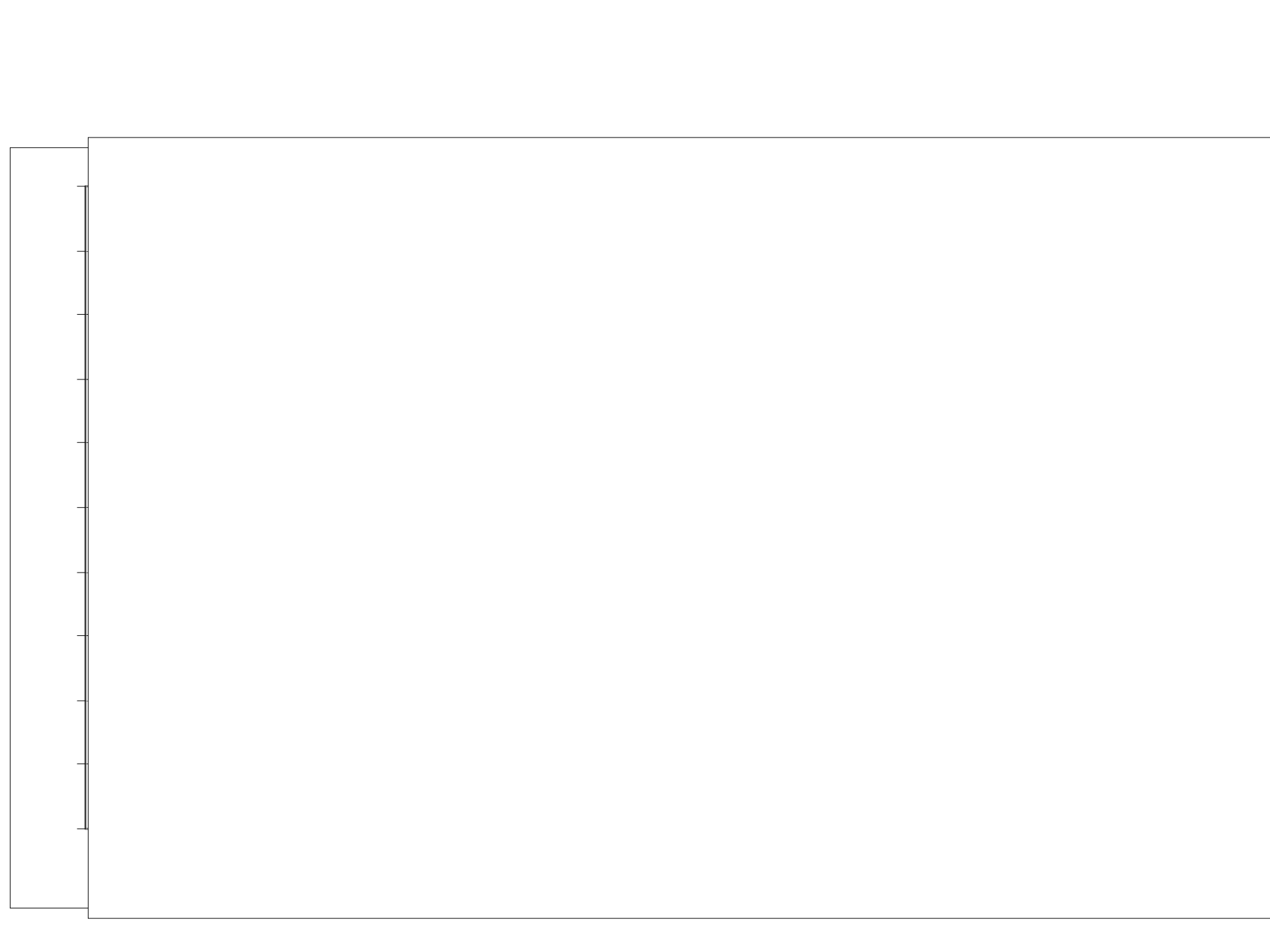
>

individual

outcomes:

54% (RS)

71% (always collude)





§

§

§

§

§

GP_N



>

>

>

,

,

>

,

,

outcomes:
(GP)

(GP)

[

]



>

>

[

]

>

,

>

,

>

High Demand (h)



		High Demand	
		<i>L</i>	<i>H</i>
	<i>L</i>		
	<i>H</i>		

		Medium Demand	
		<i>L</i>	<i>H</i>
	<i>L</i>		
	<i>H</i>		

		High Demand	
		<i>L</i>	<i>H</i>
	<i>L</i>		
	<i>H</i>		