Thank you for participating in this session. The experimental session will be run using a computer and all answers will be given through it. Please do not talk to each other and keep quiet during the session. Please note that the use of mobile phones and other electronic devices is not permitted. Please read the instructions carefully, and if you have any questions, raise your hand. The answer that will be given will be announced to everyone.

The experiment

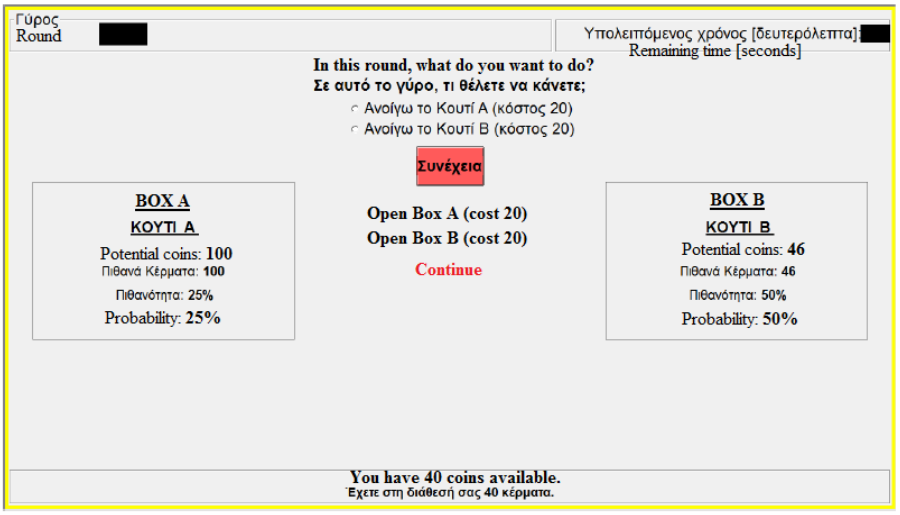
The experiment consists of one hundred rounds and it is individual. That is, each of the participants will not be able to interact with other participants. The rules are the same throughout the experiment. Your earnings depend on the decisions you make and on luck.

The boxes

At the beginning of each round, the computer shows to each subject two closed boxes, Box A and Box B. Each box may contain coins or may be empty.

In particular, Box A has a 25% chance of containing 100 coins and Box B has a 50% chance of containing X coins, where X is an integer from 41 to 99, which is announced at the beginning of each round (every number in this range has the same probability of being selected)

At the beginning of each round, you will not know what each box contains, except for the total amount of coins each box may contain and the probability that it contains them. That is, at the beginning of each round you will see an image like this: (The numbers here are random and refer only to the example below)



The procedure

At the beginning of each round, each subject is asked to open a box, Box A or Box B. Once a box is chosen its content is revealed.

Subsequently, each subject has the following options:
a) to keep the box that has been opened and receive its content.
b) to open the remaining box and choose to keep one of the two, receiving the content of the selected box.

Note: Each subject, at the end of each round can only keep one box.

Initial coins

At the beginning of each round, each subject will have 40 coins.

Opening cost

To open a box each subject has each time to pay a fixed cost. This cost is 20 coins per box she/he chooses to open, which are deducted from the initial coins of each round.

Payoffs

At the end of each round, each subject's payoff is calculated as:
Payoff = coins included in the selected box + initial coins - opening cost

Final earnings

At the end of the experiment, 5 rounds will be selected randomly and your final earnings will be based on your payoffs in these rounds plus the show-up fee (5 euros). The rate is 1 euro for every 60 coins. Each of the one hundred rounds has the same probability to be selected.

$$\textbf{Final Earnings} = \frac{1}{60} \textbf{ x (sum of the points earned in 5 randomly selected rounds) + 5}$$

Before the experiment begins, we will run three trial rounds to make sure that everyone understood the procedure. The coins that you will win during the trial rounds will not be included in your final profits.