Read me File for Instructions and Programs pertaining to the Article "Pattern-based Expectations: International Experimental Evidence and Applications in Financial Economics" appearing in the Review of Economics and Statistics

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The following files are included:

I. The Word file entitled "Instructions" gives the text of the instructions together with the display of all 63 cases and the corresponding tasks.

II. The Excel file entitled "Program for computing pattern-based expectations.xls" generates (one-step ahead) expected values based on the behavioural model presented in my article. The program as shown contains the historical data for the actual course of the U.S. stock price index (the Shiller data) for the period January 1871 to December 1888. This data (as any alternative data for which expected values are sought) is in line 2, starting with cell G, and is underlined in grey. Colum HZ (starting in cell 54) gives the output of the computations. This column is underlined in red. The program can compute 213 one-period ahead expectations. For longer series (e.g., for more than a century of monthly stock prices used in the article) the program must be used repeatedly, that is, the time series has to be divided.

III. The Excel file entitled "Experimental data for Pattern based expectations.xls" gives the individual data for all 90 subjects in the study. It also shows the average responses over all subjects as displayed in Table 1 of the article.