

# Table of Contents

<b>Acknowledgements .....</b>	ix
-------------------------------	----

## Preface

i. The purpose of this book .....	xiii
Abdolkarim Sadrieh and Joachim Weimann	
ii. The beginnings of experimental economics as a field of research in Germany .....	xv
Reinhard Selten	
iii. The Gesellschaft für experimentelle Wirtschaftsforschung in its 30 <sup>th</sup> year .....	ix
Miriam Mezger, Abdolkarim Sadrieh, and Joachim Weimann	
iv. Reinhard Tietz, a pioneer of experimental economics in Germany, celebrates his 80 <sup>th</sup> birthday .....	xxi
Abdolkarim Sadrieh	

## Part I     Bounded Rationality and Depth of Reasoning

1. Semi-normative theories based on bounded rationality .....	1
Reinhard Tietz	
<i>Journal of Economic Psychology</i> 13, 297-314, 1992	
2. Unraveling in guessing games: An experimental study .....	17
Rosemarie Nagel	
<i>American Economic Review</i> 85 (5), 1313-1326, 1995	
3. Limited depth of reasoning and failure of cascade formation in the laboratory .....	35
Dorothea Kübler and Georg Weizsäcker	
<i>Review of Economic Studies</i> 71 (2), 425-441, 2004	
4. The decision maker matters: Individual versus group behaviour in experimental beauty-contest games .....	55
Martin G Kocher and Matthias Sutter	
<i>Economic Journal</i> 115 (500), 200-223, 2005	
5. Does money illusion matter? .....	81
Ernst Fehr and Jean-Robert Tyran	
<i>American Economic Review</i> 91 (5), 1239-1262, 2001	

**Part II Voluntary Provision of Public Goods**

6. Individual behavior in a free riding experiment ..... 115  
Joachim Weimann  
*Journal of Public Economics* 54 (2), 185-200, 1994
7. Cooperation and punishment in public goods experiments ..... 131  
Ernst Fehr and Simon Gächter  
*American Economic Review* 90 (4), 980-994, 2000
8. The competitive advantage of sanctioning institutions ..... 151  
Özgür Gürerk, Bernd Irlenbusch, and Bettina Rockenbach  
*Science* 312 (5770), 108-111, 2006

**Part III Bargaining, Communication, and Coordination**

9. Selection between Pareto-Optimal outcomes in 2-Person bargaining with and without the right to make a proposal ..... 161  
Bodo Vogt and Wulf Albers  
*Homo Oeconomicus* 18 (1), 77-92, 2001
10. Equitable choices in bargaining games with joint production ..... 177  
Anita Gantner, Werner Güth, and Manfred Königstein  
*Journal of Economic Behavior & Organization* 46 (2), 209-225, 2001
11. The sound of silence in prisoner's dilemma and dictator games ..... 191  
Iris Bohnet and Bruno S Frey  
*Journal of Economic Behavior & Organization* 38 (1), 43-57, 1999
12. Identifying cooperative behavior: Some experimental results in a prisoner's dilemma game ..... 207  
Jeannette Brosig  
*Journal of Economic Behavior & Organization* 47 (3), 275-290, 2002
13. Conventions and local interaction structures: Experimental evidence ..... 223  
Siegfried K Berninghaus, Karl-Martin Ehrhart, and Claudia Keser  
*Games and Economic Behavior* 39 (2), 177-205, 2002

**Part IV Inequality Aversion and Reciprocal Behavior**

14. On ultimatum bargaining experiments – A personal review ..... 249  
 Werner Güth  
*Journal of Economic Behavior & Organization* 27 (3): 329-344,  
 1995
15. The moonlighting game – An experimental study on reciprocity  
 and retribution ..... 265  
 Klaus Abbink, Bernd Irlenbusch, and Elke Renner  
*Journal of Economic Behavior & Organization* 42 (2): 265-277,  
 2000
16. The indirect evolutionary approach to explaining fair allocations ..... 277  
 Steffen Huck and Jörg Oechssler  
*Games and Economic Behavior* 28 (1), 13-24, 1999
17. A theory of fairness, competition, and cooperation ..... 289  
 Ernst Fehr and Klaus M Schmidt  
*Quarterly Journal of Economics* 114 (3), 817-868, 1999
18. ERC: A theory of equity, reciprocity, and competition ..... 327  
 Gary E Bolton and Axel Ockenfels  
*American Economic Review* 90 (1), 166-193, 2000
19. Distributional concerns: equity- or efficiency-oriented? ..... 365  
 Alexander Kritikos and Friedel Bolle  
*Economics Letters* 73 (3), 333-338, 2001
20. Inequality aversion, efficiency, and maximin preferences in simple  
 distribution experiments ..... 371  
 Dirk Engelmann and Martin Strobel  
*American Economic Review* 94 (4), 857-869, 2004
21. A theory of sequential reciprocity ..... 389  
 Martin Dufwenberg and Georg Kirchsteiger  
*Games and Economic Behavior* 47 (2), 268-298, 2004
22. A theory of reciprocity ..... 419  
 Armin Falk and Urs Fischbacher  
*Games and Economic Behavior* 54 (2), 293-315, 2006

**Part V Risk-Taking and Behavioral Finance**

23. Inferring risk attitudes from certainty equivalents: Some lessons  
 from an experimental study ..... 441  
 Jan Pieter Krahn, Christian Rieck, and Erik Theissen  
*Journal of Economic Psychology* 18 (5), 469-486, 1997

24. The disposition effect in securities trading: An experimental analysis .....	457
Martin Weber and Colin F Camerer	
<i>Journal of Economic Behavior &amp; Organization</i> 33 (2), 167-184,	
1998	
25. Money does not induce risk neutral behavior, but binary lotteries do even worse .....	475
Reinhard Selten, Abdolkarim Sadrieh, and Klaus Abbink	
<i>Theory and Decision</i> 46 (3), 211-249, 1999	

## Part VI Auctions, Markets and Industrial Organization

26. An experimental analysis of auctions with interdependent valuations .....	499
Oliver Kirchkamp and Benny Moldovanu	
<i>Games and Economic Behavior</i> 48 (1), 54-85, 2004	
27. Stackelberg beats Cournot: On collusion and efficiency in experimental markets .....	525
Steffen Huck, Wieland Müller, and Hans Theo Normann	
<i>Economic Journal</i> 111 (474), 749-765, 2001	