

Appendix: Instructions for the change treatment

In what follows, we present a translation of the instructions for players in the change treatment. The instructions for the no-change treatment differed only in the paragraph regarding the possibility to erase one's rating profile.

Instructions

There are two types of players in this experiment, **player A** and **player B**. You will be assigned the role of either player A or player B, and you will keep your assigned role throughout the entire experiment.

The experiment lasts **20 rounds**. At the beginning of each round the number in the upper part of the screen indicates the current round. In each round a player A is matched with a player B. This matching process is random. However, you will **never** be matched **with the same player two rounds in a row**.

Structure of each round:

At the beginning of each round each player is endowed with 10 Taler. Player A then decides how many Taler of his endowment he wants to send to player B. Player A can send any (integer) amount between 0 and 10 Taler.

The experimenter triples this amount, so that player B receives the tripled amount of what player A decided to send.

Player B then decides how many Taler he wants to send back to player A. He can send any (integer) amount between 0 Taler and the tripled amount transferred by player A. The amount of Taler that player B sends back to player A is **not tripled** by the experimenter.

Rating:

After both players made their decisions, player A can **rate** player B's decision as **"good"**, **"neutral"** or **"bad"**. The rating is stored in the rating profile. There is no rating stage if player A sends zero Taler to player B. In that case the phrase "No rating, because no exchange took place" is displayed on the screen.

Before player A decides on how much to send to player B, the **rating profile** of the player B he is matched with is displayed on the screen. The rating profile includes the rating in the previous round as well as the total number of good, neutral and bad ratings that player B has received so far.

Deleting the rating profile:

At the beginning of each round player B can **delete his existing rating profile**, and start over as a **new player**.

New players:

During the course of the experiment new players enter the experiment. Players which enter the experiment in later rounds find paper and pen at their desks and have to work on a different task before starting as a player in the computerized experiment. These players will also be paid for working on the non-computerized task at the end of the experiment. They will find a more detailed description of the task at their desks. These players will start with their decisions in the computerized experiment as soon as the screen in their cubicle displays an entry mask.

The label “New player” is used for players who deleted their rating profile, as well as for players who have just entered the experiment.

Questionnaire:

After the last round of the experiment a short questionnaire is displayed on the screen. Please answer the questionnaire as precisely as possible. When you are done with the questionnaire please wait in your cubicle until we ask you to collect your payment.

Payment: After the experiment the amount of Taler you earned is exchanged into Euros at an **exchange rate of 3,5 Cent/Taler**.