Treatment B
In today’s experiment, you will be a player in a two player game
- Half of you will be Red players
- The other half will be Green players

Your colour assignment will be fixed through the experiment
You will be randomly rematched in each round with a player of the other colour

Please maintain silence throughout the experiment
The Red player controls a production unit
There are three tasks A, B, C, which need to be performed for production
These can be performed only by the Green player
For each task, there are 3 possible effort levels 1, 2, 3
If effort levels $a$, $b$, $c$ are borne for tasks A, B, C respectively (with each of $a$, $b$, $c$ being either 1 or 2 or 3), the Green player bears a cost of $15000(a + b + c)$
Revenue as a function of $a$, $b$, $c$ is given by a function in your spreadsheet
Revenue is shared equally
The Green player can choose not to perform the tasks, in which case both players get zero payoff.

The Red player can make an offer to the Green player to induce the Green player to perform.

The offer consists of (i) a fee (non-negative integer) and (ii) a specification of effort level in task A. The Red player chooses both numbers.

If there is acceptance, effort level in task A is determined by the offer. The Green player chooses effort levels for both tasks B and C.

Then the Red player’s payoff is (half revenue – fee) and the Green player’s payoff is (half revenue + fee – cost).
Game Screen: Select Colour (First Round)

Please choose a colour:
- Red
- Green

OK
Red Player: Creates an offer

Please specify an offer

Stipulated Level of Task A
- Level of input = 1
- Level of input = 2
- Level of input = 3

Fee

[OK]
Your partner made the below offer

Stipulated Level of Task A  2
Fee  0

Do you wish to accept this offer?  
- No
- Yes
If Green Player accepts: Select Levels of Tasks B and C

Choose your level of effort:

Level of Task B
- Level of input = 1
- Level of input = 2
- Level of input = 3

Level of Task C
- Level of input = 1
- Level of input = 2
- Level of input = 3
Payoffs calculated and shown

<table>
<thead>
<tr>
<th>Period</th>
<th>Offered A</th>
<th>Offered fee</th>
<th>Contract accepted</th>
<th>B</th>
<th>C</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>0</td>
<td>Yes</td>
<td>2</td>
<td>3</td>
<td>-7000</td>
</tr>
</tbody>
</table>

Your profit in this round was -7000

OK
Treatment R
In today’s experiment, you will be a player in a two player game
- Half of you will be Red players
- The other half will be Green players

Your colour assignment will be fixed through the experiment

You will be randomly rematched in each round with a player of the other colour

Please maintain silence throughout the experiment
Description of Interaction 1

- The Red player controls a production unit
- There are three tasks A, B, C, which need to be performed for production
- These can be performed only by the Green player
- For each task, there are 3 possible effort levels 1, 2, 3
- If effort levels \(a, b, c\) are borne for tasks A, B, C respectively (with each of \(a, b, c\) being either 1 or 2 or 3), the Green player bears a cost of \(15000 \times (a + b + c)\)
- Revenue as a function of \(a, b, c\) is given by a function in your spreadsheet
- Revenue is shared equally
The Green player can choose not to perform the tasks, in which case both players get zero payoff.

The Red player can make an offer to the Green player to induce the Green player to perform.

The offer consists of (i) a fee (non-negative integer) and (ii) a specification of effort level in task A. (iii) a request for effort level in task B. The Red player chooses these numbers.

If there is acceptance, effort level in task A is determined by the stipulated offer. The Green player chooses effort levels for both tasks B and C. The effort level chosen for task B may differ from the requested level.

Then the Red player’s payoff is (half revenue − fee) and the Green player’s payoff is (half revenue + fee − cost).
Game Screen: Select Colour (First Round)

Please choose a colour:
- Red
- Green

OK
Red Player: Creates an offer

Please specify an offer

Stipulated Level of Task A
- Level of input = 1
- Level of input = 2
- Level of input = 3

Fee

Requested Level of Task B
- Level of input = 1
- Level of input = 2
- Level of input = 3

OK
Green player: can accept/reject offer

Your partner made the below offer

Stipulated Level of Task A: 2
Fee: 0
Requested Level of Task B: 2

Do you wish to accept this offer?
- No
- Yes

OK
If Green Player accepts: Select Levels of Tasks B and C

Choose your level of effort:

- Level of Task B
  - Level of input = 1
  - Level of input = 2
  - Level of input = 3

- Level of Task C
  - Level of input = 1
  - Level of input = 2
  - Level of input = 3

OK
Payoffs calculated and shown

<table>
<thead>
<tr>
<th>Period</th>
<th>Offered A</th>
<th>Offered fee</th>
<th>Requested x2</th>
<th>Contract accepted</th>
<th>B</th>
<th>C</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>Yes</td>
<td>2</td>
<td>3</td>
<td>-7000</td>
</tr>
</tbody>
</table>

Your profit in this round was -7000
Treatment D
In today’s experiment, you will be a player in a two player game
- Half of you will be Red players
- The other half will be Green players

Your colour assignment will be fixed through the experiment

You will be randomly rematched in each round with a player of the other colour

Please maintain silence throughout the experiment
The Red player controls a production unit
There are three tasks A, B, C, which need to be performed for production
These can be performed only by the Green player
For each task, there are 3 possible effort levels 1, 2, 3
If effort levels $a$, $b$, $c$ are borne for tasks A, B, C respectively (with each of $a$, $b$, $c$ being either 1 or 2 or 3), the Green player bears a cost of $15000*(a + b + c)$
Revenue as a function of $a$, $b$, $c$ is given by a function in your spreadsheet
Revenue is shared equally
Description of Interaction 2

- The Green player can choose not to perform the tasks, in which case both players get zero payoff.
- The Red player can make an offer to the Green player to induce the Green player to perform.
- The offer consists of (i) a fee (non-negative integer) and (ii) a specification of effort level in task A. (iii) a request for effort level in task B. (iv) A non-binding promised payment if the task level for task B is met. The Red player chooses these numbers.
- If there is acceptance, effort level in task A is determined by the stipulated offer. The Green player chooses effort levels for both tasks B and C. The effort level chosen for task B may differ from the requested level.
- The Red player sees the Green player’s choices, and can choose an ex-post payment, which may differ from the promised level.
- Then the Red player’s payoff is (half revenue – fee - payment) and the Green player’s payoff is (half revenue + fee + payment – cost).
Game Screen: Select Colour (First Round)

Please choose a colour:
- Red
- Green

OK
Red Player: Creates an offer

Please specify an offer

Stipulated Level of Task A
- Level of input = 1
- Level of input = 2
- Level of input = 3

Fee

Requested Level of Task B
- Level of input = 1
- Level of input = 2
- Level of input = 3

Promised payment if requested task level of B is met
Green player: can accept / reject offer

Your partner made the below offer:

- Stipulated Level of Task A: 2
- Fee: 0
- Requested Level of Task B: 2
- Promised payment if requested Task level of B is met: 1000

Do you wish to accept this offer?  
- No
- Yes

OK
If Green Player accepts: Select Levels of Tasks B and C

Choose your level of effort:

Level of Task B
- Level of input = 1
- Level of input = 2
- Level of input = 3

Level of Task C
- Level of input = 1
- Level of input = 2
- Level of input = 3

OK
Red player decides payment

Requested Level of Task B  2
Chosen Level of Task B  2
Promised payment if task level of B was met  1000
Select a payment to make

OK
Payoffs calculated and shown

<table>
<thead>
<tr>
<th>Period</th>
<th>Offered A</th>
<th>Offered fee</th>
<th>Requested x2</th>
<th>Promise</th>
<th>Contract accepted</th>
<th>B</th>
<th>C</th>
<th>Expost</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1000</td>
<td>Yes</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>-7000</td>
</tr>
</tbody>
</table>

Your profit in this round was -7000

OK
Treatment W
In today’s experiment, you will be a player in a two player game
- Half of you will be Red players
- The other half will be Green players

Your colour assignment will be fixed through the experiment

You will be randomly rematched in each round with a player of the other colour

Please maintain silence throughout the experiment
Description of Interaction 1

- The Red player controls a production unit
- There are three tasks A, B, C, which need to be performed for production
- These can be performed only by the Green player
- For each task, there are 3 possible effort levels 1, 2, 3
- If effort levels $a$, $b$, $c$ are borne for tasks A, B, C respectively (with each of $a$, $b$, $c$ being either 1 or 2 or 3), the Green player bears a cost of $15000*(a + b + c)$
- Revenue as a function of $a$, $b$, $c$ is given by a function in your spreadsheet
- Revenue is shared equally
The Green player can choose not to perform the tasks, in which case both players get zero payoff.

The Red player can make an offer to the Green player to induce the Green player to perform.

The offer consists of (i) a fee (non-negative integer) and (ii) a specification of effort level in task A. (iii) a request for effort level in task B. (iv) a request for effort level in task C. The Red player chooses these numbers.

If there is acceptance, effort level in task A is determined by the stipulated offer. The Green player chooses effort levels for both tasks B and C. The effort levels chosen for tasks B and C may differ from the requested level.

Then the Red player’s payoff is (half revenue – fee) and the Green player’s payoff is (half revenue + fee – cost)
Game Screen: Select Colour (First Round)

Please choose a colour:
- Red
- Green

OK
Red Player: Creates an offer

Please specify an offer

Stipulated Level of Task A
- Level of input = 1
- Level of input = 2
- Level of input = 3

Fee

Requested Level of Task B
- Level of input = 1
- Level of input = 2
- Level of input = 3

Requested Level of Task C
- Level of input = 1
- Level of input = 2
- Level of input = 3

OK
Green player: can accept/reject offer

Your partner made the below offer

Stipulated Level of Task A 2
Fee 0
Requested Level of Task B 2
Requested Level of Task C 3

Do you wish to accept this offer?
○ No
○ Yes

OK
If Green Player accepts: Select Levels of Tasks B and C

Choose your level of effort:

Level of Task B
- Level of input = 1
- Level of input = 2
- Level of input = 3

Level of Task C
- Level of input = 1
- Level of input = 2
- Level of input = 3

OK
Payoffs calculated and shown

<table>
<thead>
<tr>
<th>Period</th>
<th>Offered A</th>
<th>Offered fee</th>
<th>Requested x2</th>
<th>Requested x3</th>
<th>Contract accepted</th>
<th>B</th>
<th>C</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>Yes</td>
<td>2</td>
<td>3</td>
<td>-7000</td>
</tr>
</tbody>
</table>

Your profit in this round was -7000