

A SURPRISE-QUIZ VIEW OF LEARNING IN ECONOMIC EXPERIMENTS

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Abstract

In this paper we use experimental data to investigate what it is that subjects have learned after participating in an economic experiment for a large number of periods. It is our hypothesis that depending on the manner in which subjects are paid, they will attempt to learn different aspects of the experiment they are placed in and perform differently. At the end of our experiments subjects are given another experiment to perform (for "high stakes") which functions like a surprise quiz since they had not been informed about its existence before. The results of this surprise-quiz round, along with the time-series of their responses before the quiz, allows us to judge what they have learned. Our results have potential consequences for experimental methodology since they indicate that the manner in which subjects are paid may have a direct impact on what they choose to learn about. In addition, we hope to present surprise quizzes as a potentially useful technique that can be used in other experiments where the task facing agents is to learn the static equilibrium of the decision situation they are engaged in.

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