



Responder

Ultimatum
You and a player are dividing a stack of coins. If you reject the other player's proposal, you both get nothing.

Will you accept the proposer's offer?

Accept the proposer's offer Reject the proposer's offer

\$59 \$41

OTHER YOU

1/1 14:49

Rejecting the proposer's offer earns both players a payoff of zero.

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Pre-Game Survey

Ultimatum Game

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How much would the proposer and responder receive?

Ultimatum
You and a player are dividing a stack of coins. If the other player rejects your proposal, you both get nothing. How much will you offer?

\$59 \$41

YOU OTHER

100%
50%
0%

1/1 03:13

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How much would the proposer and responder receive?

Ultimatum
You and a player are dividing a stack of coins. If you reject the other player's proposal, you both get nothing.

Will you accept the other player's offer?

\$59 \$41

OTHER YOU

1/1 14:49

Rejecting the proposer's offer earns both player 0

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Game Time!

Ultimatum Game

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Post-Game Survey

Ultimatum

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Why might a responder reject an offer even when it is greater than zero?

Some examples:

- A feeling of unfairness / unjustness
- Utility or preference for vengeance or retribution
- Preservation of social or cultural norms

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Results Discussion

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Concept Review

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Key Takeaways

- If a Responder is profit maximizing, game theory predicts:
 - The Responder will accept any offer greater than zero
- We often see Responders rejecting positive offers
 - Evidence that individuals consistently have preferences for justice over profit maximization
- Behavioral economics often models justice and other preferences as part of an individual's overall utility.

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Completed

Ultimatum Game

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A playground for decisions

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