

Win As Much As You Can - Part II

Preparation for the 11th Round

In a few minutes, you will negotiate one more round with the other people in your group. (Play with the same people you just played with). You will have five minutes to negotiate before you throw your coin. As always, you may throw a head or a tail. The payoff (or the loss) will be worth 20 times the usual amount. In addition, the student(s) in the group who get(s) the highest positive score of the members of the group on this round alone (not counting earlier scores) will receive one or more extra points on the class participation portion of his or her grade. If all four student(s) in the group get the same positive score for this round, each group member will get one point. I will award no points to a student who gets a negative score. (See the Payoff Chart below for details). As always, you may throw a head or a tail. Please record your results and your names on one copy of this handout and submit it when you're done.

Payoff Chart

4 heads: win \$20 each and 1 extra point for class participation
3 heads: lose \$20 each 1 tail: wins \$60 and 4 extra points for class participation
2 head: lose \$40 each 2 tails: win \$40 each and 3 extra points for class participation
1 head: loses \$60 3 tails: win \$20 each and 2 extra points for class participation
4 tails: lose \$20 each

(continued)

Possible Ways to Overcome the Trust Dilemma in Round 11

If your group wants to come to an agreement but you are not sure everyone will abide by it, what can you do? Please review the following list of ways to build or substitute for trust. Then use it to help you develop a couple of specific approaches or proposals for your upcoming negotiation.

Build Trust and Rapport

Appeal to your word,
reputation

(e.g., "look how honest I've been")

Appeal to shadow of
the future

(e.g., "we'll see each other again")

Appeal to group
norms

(e.g., "it's just not cool around here to get a reputation for backing out of deals")

Use gestures
and tokens

(e.g. give small gifts)

Make appeals to
common interests

(e.g., appeal to common goal, enemy)

Use Trust Mechanisms

Use escrow

(e.g., each student puts up real cash in escrow and whoever defects loses the money to the others.)

Use a guarantor

(e.g., have someone from outside the group guarantee your promise- if you defect, she pays points or cash to others.)

Use a go-between

(e.g., have Professor Freeman confirm each is holding a "heads")

Use side deals
and penalties

(e.g., "I'll pay you a \$0.XX if you go along" or "I won't let you see my notes")

Use enforceable
agreements

(e.g., enforceable by someone who can force each side to live up to his or her promise.)

Use objective process

(e.g. flip a coin, share points regardless)

Use Interests and Creativity

Find a creative
to enlarge the pie)

(e.g., is there a creative way to make the payoffs better?)

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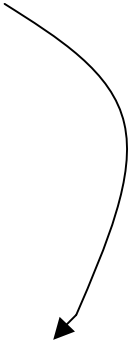
Win As Much As You Can Round II Scoring Sheet

Submit Just One Sheet for your Entire Group

Group No: _____

<u>Student Name (Print)</u>	<u>Heads or Tails</u>	<u>\$ and points won or lost</u>	<u>If you got a 4-way agreement, how did you overcome the Trust Dilemma?</u>
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- 1.
- 2.
- 3.
- 4.



"Here's how overcame the Trust Dilemma:

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