

Thank you for participating in this pricing exercise. We are interested in how much you are willing to pay for various things. We will show you a couple of items and then ask you a pair of price-purchase intent questions about each item:

- First, we will ask whether you would like to buy the item at a particular price. That price will be determined randomly by having you convert the numbers on the card you received into a whole-dollar price.
- Next, we will ask you to state the most that you would be willing to pay for the item. We will pick up three items among them, and each item will be offered for purchase to one person, chosen randomly from the class. One item will be sold on the basis of answer to the first question, and two items on the basis of answers to the second question. Each person is in the running for only one item. We will endow selected three students enough money to buy the item.

If you are chosen and the first question counts, then we will look to see whether you decided to buy, or not to buy, the item at your random (the numbers on the card you received) price. If you stated that you wanted to buy the item at that price, then we will sell it to you at that price. If you stated that you did not want to buy the item at that price, then no sale will take place.

If you are chosen and the second question counts:

- The price of the item will be determined by drawing a number at random, from the matrix on the overhead slide.
- If the value stated is greater than this random price, then the item will be sold *at that randomly selected price*.
- If the value stated is lower than the price, then the item will not be sold.

**Because your answer does not affect the amount you pay, only whether you buy, it's to your advantage to state the maximum that you would be willing to pay.**

**2 First, please copy the numbers on the card you received into each of the 6 boxes below**

ITEM 1 Description Cordless Mouse

Would you buy this item for \$ ☐ ? Circle: YES or NO

The most I would be willing to pay for this item is \$ \_\_\_\_\_

My best guess of the actual market price for this item is \$ \_\_\_\_\_

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ITEM 2 Description Bluetooth Keyboard

Would you buy this item for \$ ☐ ? Circle: YES or NO

The most I would be willing to pay for this item is \$ \_\_\_\_\_

My best guess of the actual market price for this item is \$ \_\_\_\_\_

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ITEM 3 Description Dinner Coupons at Sabrina's (for two people)

Would you buy this item for \$ ☐ ? Circle: YES or NO

The most I would be willing to pay for this item is \$ \_\_\_\_\_

My best guess of the actual market price for this item is \$ \_\_\_\_\_

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ITEM 4 Description Dinner Coupons at Graces Trading Company (for two people)

Would you buy this item for \$ ☐ ? Circle: YES or NO

The most I would be willing to pay for this item is \$ \_\_\_\_\_

My best guess of the actual market price for this item is \$ \_\_\_\_\_

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ITEM 5 Description Art Book

Would you buy this item for \$ ☐ ? Circle: YES or NO

The most I would be willing to pay for this item is \$ \_\_\_\_\_

My best guess of the actual market price for this item is \$ \_\_\_\_\_

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ITEM 6 Description Chocolate

Would you buy this item for \$ ☐ ? Circle: YES or NO

The most I would be willing to pay for this item is \$ \_\_\_\_\_

My best guess of the actual market price for this item is \$ \_\_\_\_\_