Accepted Manuscript

Logical abilities and behavior in strategic-form games

Ralph C. Bayer, Ludovic Renou

PII:	S0167-4870(16)30288-4
DOI:	http://dx.doi.org/10.1016/j.joep.2016.05.005
Reference:	JOEP 1920
To appear in:	Journal of Economic Psychology
Received Date:	23 July 2014
Revised Date:	19 April 2016
Accepted Date:	21 May 2016



Please cite this article as: Bayer, R.C., Renou, L., Logical abilities and behavior in strategic-form games, *Journal of Economic Psychology* (2016), doi: http://dx.doi.org/10.1016/j.joep.2016.05.005

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

ACCEPTED MANUSCRIPT

Logical abilities and behavior in strategic-form games^{*}

Ralph C. Bayer[†] & Ludovic Renou[‡]

May 23, 2016

Abstract

This paper investigates the impact of cognitive abilities and preferences on behavior in games. We first measure subjects' logical abilities and social preferences and then evaluate their influence on behavior in strategic-form games. For this purpose, we estimate how logical abilities and preferences relate to the probability of a subject being of a specific behavioral type. We find that better logical abilities increase the likelihood of sophisticated behavior. This shift is stronger for subjects who are classified as "selfish". However, not even the most logically able, selfish subjects are identified as Nash types.

Keywords: logical ability, behaviors, strategic-form games, experiments, preferences, sophistication.

JEL Classification Numbers: C70, C91.

^{*}We thank the Economic Design Network Australia and the University of Adelaide for funding and are grateful to two anonymous referees and the editor for helpful comments.

[†]Department of Economics, 10 Pulteney Street, Adelaide 5005, Australia. Phone: +61 (0)8 8313 4666, Fax: +61 (0)8 8223 1460. ralph.bayer@adelaide.edu.au

[‡]Department of Economics, University of Essex, Wivenhoe Park, Colchester CO4 3SQ, United Kingdom. lrenou@essex.ac.uk

Download English Version:

https://daneshyari.com/en/article/7244195

Download Persian Version:

https://daneshyari.com/article/7244195

Daneshyari.com