Contents

Preface xi

Part I: Economics and Psychology

INTRODUCTION 3


3. Monetary Rewards and Decision Cost in Experimental Economics By Vernon L. Smith and James M. Walker 41


Part II: Bargaining Theory, Behavior, and Evolutionary Psychology

INTRODUCTION 79

5. Preferences, Property Rights, and Anonymity in Bargaining Games By Elizabeth Hoffman, Kevin A. McCabe, Keith Shachat, and Vernon L. Smith 90

6. Social Distance and Other-Regarding Behavior in Dictator Games By Elizabeth Hoffman, Kevin A. McCabe, and Vernon L. Smith 127

7. On Expectations and the Monetary Stakes in Ultimatum Games By Elizabeth Hoffman, Kevin A. McCabe, and Vernon L. Smith 139

8. Game Theory and Reciprocity in Some Extensive Form Experimental Games By Kevin A. McCabe, Stephen J. Rassenti, and Vernon L. Smith 152
### Contents


**Part III: Institutions and Markets**

**Introduction**


11. Experimental Methods in the Political Economy of Exchange *By Vernon L. Smith* 240

12. Individual Rationality, Market Rationality, and Value Estimation *By Peter Knez, Vernon L. Smith, and Arlington W. Williams* 257


15. Off-Floor Trading, Disintegration, and the Bid–Ask Spread in Experimental Markets *By Joseph Campbell, Shawn La Master, Vernon L. Smith, and Mark Van Boening* 320


17. An Experimental Examination of the Walrasian Tâtonnement Mechanism *By Corinne Bronfman, Kevin A. McCabe, David P. Porter, Stephen Rassenti, and Vernon L. Smith* 381

**Part IV: Stock Markets and Bubbles in the Laboratory**

**Introduction**

18. Stock Market Bubbles in the Laboratory *By David P. Porter and Vernon L. Smith* 414

*References* 434

*Index* 451