Experiment 1

NYSE Trading Pit

Trading Pit
- Our experiment is a trading pit
  - Like NYSE or Chicago Mercantile
- You are permitted to call out, yell, and generally work to draw attention to yourself
- There is no market organization
Instructions

• There are four rounds.
• Do NOT trade coupons except for the current round.
• You do not have to trade. Sometimes the best action is to wait until you have a better value or cost.
• In each round, you may make only one transaction.
• For a transaction to be recorded, you must be standing in line in front of the Market Manager when the whistle blows (5 minutes). One minute warning will be given.
• Give your completed transaction report to the manager

Record Keeping

• Transactions not recorded by market manager are invalid
• Incomplete coupons are invalid
• Buyer will give their check coupon to the seller
• Sellers give their product coupon to buyer
• Both should record the price

Incentives

• You will participate in a tournament for 1% of grade
• Your share is \( \frac{Your \ Earnings}{Class \ Earnings} \)
• Like life, there is luck involved
• Buyer earnings are value minus price
• Seller earnings are price minus cost
Coupons

LEFT BANK OF THE COLORADO
Buyer's Name: 
Check Amount: 
Experiment 1.2
NOT TO EXCEED $20.00

Zorp Manufacturing Corp.
Product Coupon
Seller's Name: Exp. 1.3
Price Paid: 
Experiment 1.3
Seller's Cost: $10.00

Transaction Report

Transaction Report  Experiment: 1.1  Group: NA
Buyer's Name: Write Clearly!
Seller's Name: 
Buyer Value:  Seller Cost:  Price: 

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