

# Monopoly Market

## S201 -- Professor Walker --3rd Extra-Credit Exercise

You will have the opportunity to earn extra-credit points in a decision making exercise referred to as the "Posted-Offer Market." Participation in this exercise is totally voluntary but is highly recommended. It is possible to get an A+ in this class based solely on your examination scores. Extra-credit points can only improve upon the course grade you would earn based on your exam scores.

The computerized instructions explain how you earn "profits" in the market. You will **NOT** be paid in money. Rather, you will receive extra-credit points based on: 1) your final cash holdings relative to the final cash holdings of other participants with identical profit opportunities, and 2) participating in the exercise.

The extra-credit points will be added to your final course average. The maximum number of extra-credit points that you can earn in this exercise is 100. **The more money you earn the greater the number of extra-credit points that you will receive.** The extra-credit points will be added to your final course average.

Final cash holdings will be converted into a rank score as follows. On the performance side, your final cash holdings will be converted into a rank score as follows.

Top 20% ranking based on final cash holdings=5, Second 20%=4, Third 20%=3, ... etc. ..., Bottom 20%=1

Your rank score will be multiplied by 10 to determine your extra-credit points from performance. For example, if an individual has a rank score of 4, this person will have  $(4 \times 10) = 40$  extra-credit points. Similarly, a rank score of 5 generates the maximum of 50 extra-credit points.

In addition to the extra-credit points you earn based on your final cash holdings in the market, you will receive 50 points for **completing the exercise.**

**Feel free to discuss any aspect of this extra-credit exercise with classmates if you care to do so. However, since extra-credit points are awarded for participation in the market, it is an act of academic dishonesty to have someone else enter your decisions for you.**

You can access the exercise on the NovaNET computer network from any of the Windows-based UITs student technology centers on campus. See [www.indiana.edu/~stcweb/](http://www.indiana.edu/~stcweb/) for a complete listing of these sites. If you'd like to try installing the NovaNET access software on your home computer, go to Professor Williams' web site: [www.indiana.edu/~arlwilli](http://www.indiana.edu/~arlwilli). Click the link in the lower-left frame titled "Download NovaNET Portal" then follow the instructions to download and install the software on your computer. In the STC's, access to NovaNET is available by clicking with the left mouse button on "START" in the lower-left corner of the Windows main display. After opening the START menu, use the mouse to point to "Programs" then "Communications" then click the left mouse button on "NovaNET 3.3". This will launch the NovaNET access software. After a delay of a few seconds you should be presented with the NovaNET login page asking for your NovaNET group and name. To access the extra-credit exercise you must: 1) log into the NovaNET computer network, and 2) log into the NovaNET application program that runs the market.

To log on to NovaNET type your "NovaNET group" and "NovaNET name" as follows.

NovaNET group: **inuecon**      NovaNET name: **monop**

After you successfully log on, you will be automatically routed to the title page for the exercise and asked to type your "class file" and your "roster name". Use the following information.

Class file: **jw201**

Roster name: **first 6 letters of your last name** plus the **last 4 numbers in your social security number**.

For example, if R. Raygun has SS#123-45-6789 then this student's roster name is entered as raygun6789. Similarly, O. McDonald with SS#333-24-4321 is entered as mcdona4321. V. Smith with SS#234-56-9876 is entered as smith9876.

After logging in, you will be routed to a set of instructions that describe the extra-credit exercise. You should allow approximately 1 hour to complete this exercise.

**Your Session Begins NOW and ends Wednesday 12/8 at 12:00 noon**

**Demand and cost conditions DO NOT CHANGE across decision rounds, BUT YOU MUST complete all rounds in a session to be eligible for extra-credit points. If you want to repeat the same decision for several rounds, that is fine, but you must explicitly enter the decision for each round.**

NovaNET uses special key names that can be selected by single-clicking with the left mouse button on the graphical "Function Key Bar" that appears along side the NovaNET window. (If you don't see it, click on Help in the menu bar at the top of the NovaNET window, then click on Function Key Bar to turn it on. If you don't see Help listed on the menu bar, right-click the NovaNET icon in the task bar at the bottom of your screen, point to "Portal Menu" and you will see the Help option.) NovaNET keys are also mapped into the PC's function keys. The following NovaNET to PC key mappings are the most important ones to be aware of when using the economics software:

NEXT = Enter or Return, EDIT = F5, HELP = F6, LAB=F7, BACK = F8, DATA = F9, STOP = F10.

To erase a typed response, use the Backspace key (» ) or the EDIT = F5 key. To exit a NovaNET application program, hold down the shift key and hit F10 (Shift-STOP). To end a NovaNET session **after properly exiting the application program**, click X in the upper-right corner of the NovaNET window.

Take this handout with you when you go to enter your decisions. If you have a problem accessing NovaNET, ask the STC consultant for assistance. Please report any chronic NovaNET access problems to your instructor.