

Abstract

We study experimentally the nature of dominance violations in three minimalist dominance-solvable guessing games. Only about a third of our subjects report reasoning consistent with dominance; they all make dominant choices and almost all expect others to do so. Nearly two-third of our subjects report reasoning inconsistent with dominance, yet a quarter of them actually make dominant choices and half of those expect others to do so. Reasoning errors are more likely for subjects with lower working memory, intrinsic motivation and premeditation attitude. Dominance-incompatible reasoning arises mainly from subjects misrepresenting the strategic nature (payoff structure) of the guessing games.

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