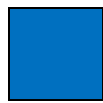


APPENDIX

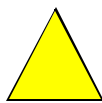
instruction slides shown to participants prior to the commencement of the study
(translated from Polish into English)

Welcome to our experiment!

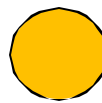
Your task will be to play the part of an investor in a virtual stock market, buying and selling three stocks / items:



square



triangle



and circle

Initially, each stock costs **50 points**, and there is one unit of each available to trade. However, in every trial of the experiment the price of **one** of the stocks will **either increase or decrease by one point**.

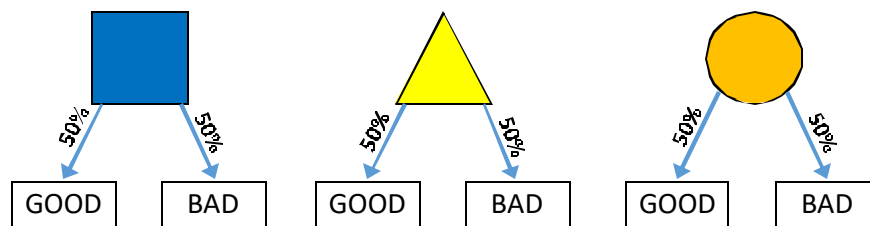
[press the SPACEBAR to proceed to the next, and every subsequent, instruction slide]

Whether the price of a stock will decrease or increase is determined by whether the stock is currently in a **good state** or in a **bad state**:

- If the stock is in the **GOOD** state, there is a **60%** chance that its price will **increase**, and a **40%** chance that it will **decrease**
- Conversely, if the stock is in the **BAD** state, there is a **40%** chance that its price will **increase**, and a **60%** chance that it will **decrease**

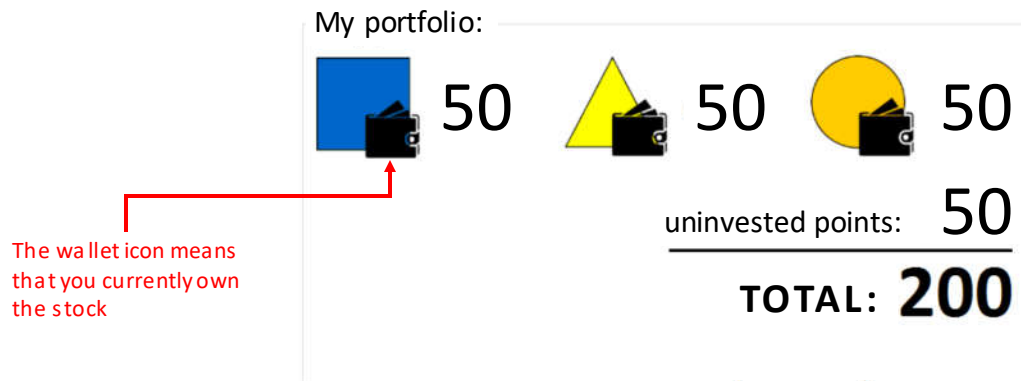


At the beginning, the computer will randomly decide whether each of the three stocks is in the good state or in the bad state. Each is equally likely.



HOWEVER: after each change in the price of a stock (by +/- 1) there is a **20%** chance that the item will also change its state (from bad to good or from good to bad).


To let you invest, you will receive an initial amount of **200 points**. Of this, **150** points will be automatically used to purchase the three stocks (each costs 50 initially, so $3 \times 50 = 150$). At the start, your investment portfolio will therefore look like this:



Before you can start to buy or sell the stocks, the price of each of the three stocks will be updated **five times** according to the rules described earlier.



In every subsequent trial of the experiment, you will see an icon representing the stock the price of which will be updated during the trial (in this case it's the circle stock).

In addition, a wallet icon will indicate whether the stock is currently in your portfolio. If not, then the icon will be crossed out, like this: 

ATTENTION: you will **NOT** be told if the stock is in the good state or in the bad state.



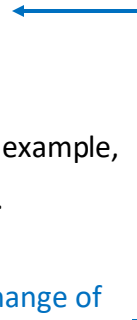
Price change history:



You will see arrows representing **the last five price changes of the stock** (in this example, the last three changes were positive, but before that the price decreased twice).




Price change history:



You will see arrows representing **the last five price changes of the stock** (in this example, the last three changes were positive, but before that the price decreased twice).

After a while, there will also appear a larger icon, representing the price change of the stock **in the current trial**.




Price change history:

Purchase price: **50**

Current price: **50**

You will then see the **current price** of the stock, and, if you have it in your portfolio, **the price at which you bought it.**




Price change history:


Purchase price: **50**

Current price: **50**

Now you can decide if you want to sell the stock **at the current price**, by choosing the appropriate option.


SELL **DON'T SELL**


Price change history: 

 Purchase price: **50** Current price: **50**

If you choose to **SELL**, the current price will be added to your uninvested points, and the stock removed from your portfolio.

SELL **DON'T SELL**

Price change history: 

 Purchase price: **-** Current price: **50**

If you don't have the stock in your portfolio, you can buy it at the current price or not.

BUY **DON'T BUY**

Price change history:

Purchase price: -

Current price: 50

If you decide to **BUY**, the current price of the stock will be subtracted from your uninvested points, and the stock will be removed from your portfolio..

BUY

DON'T BUY

You will play a total of **eighty trials**, during which time you can buy or sell each stock any number of times.

From the **final value** of your portfolio we will then subtract the initial number of points you were given (**200**).

We will **multiply** the above difference **by 2PLN** and we will add **30PLN** to the result.

This will be the reward you receive for taking part in the study.