

Instructions Summary (ID =)

Random Determination of Dividends per Share

Random State:	1	2	3	4	5	6	7	8	9	10
Share Dividend:	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60

- You will begin with an initial cash account of **\$*. **** and with **** shares** of a stock with dividends determined by a randomly generated number as shown above, with each of the 10 columns in the dividend table being equally likely.
- Shares can be bought or sold by placing limit orders, which are executed at a single market-clearing price selected to equalize the number of shares demanded (with bids above the price) and the number of shares offered (with asks below the price).
- Each share owned at the end of a period (after trades have been executed) will pay a randomly determined dividend, and each dollar in retained cash (from the endowment or obtained from stock sales) will earn a fixed interest of **\$0.10**.
- Your cash balance will decrease if you purchase shares, and it will increase as you earn interest and dividends, and as you sell shares or redeem them in the final period. The computer will keep track of your cash and share accounts, and your final earnings will equal your cash balance in the final period after any shares you have are redeemed. and after final dividend and interest payments have been made.
- This experiment consists of exactly **10 trading periods**, and all shares owned at the end of the final trading period (from your endowment or obtained by purchase) will be redeemed for **\$14.00** each.
- **Cash Conversion:** Each **\$1.00** in earnings for the experiment will be converted into **\$1.00** in cash payments to you at the end.
- **Final Task:** There will also be a short task in which you can check one or more "boxes" to pick up cash that is paid AFTER the end of the last round of trading. This final cash payment will **NOT** be converted down, it will be paid dollar for dollar at the end of the experiment, and will NOT affect your earnings from the market trading in any way. Instructions for this task will be provided when you come to it.