

PROPOSAL

PLAYERS' EX POST PERCEPTIONS OF RISKS TAXING IN THE INVESTMENT GAME

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The Investment Game has been played both by two-person teams of students and individuals. Earlier research into the performance of the players has indicated that there has been no difference of significance in rate of return between individuals and teams. However, in the administration of the game over several semesters, it has been found that disagreements on the question of risk do arise between team members. Two possible questions can be posed from these disagreements.

First, is it possible that because of such disagreements the members of teams are able to reach decisions only after significant compromise and negotiation? Second, is it likely that teams in general accept different degrees of risk than individuals, at least after they have worked together for some time and negotiated with each other? This conceit of risk changes, called "risk syndication" or "risky shifts," has been studied by others; the degree to which this phenomenon exists among players of The Investment Game should be of interest to most gamesters.

The present study is an attempt to measure, ex post, the degree of risk aversion perceived by players of The Investment Game, both teams and individuals. If some evidence of difference can be found, or if it is determined that risk shifting occurs during the playing of the game, then the results may be relevant to gaming in general.

It is recognized that evidence of risk shifting can only be measured through both ex ante and ex post measures. Hence, if this study indicates any evidence of such shifts, additional research will be necessary in an attempt to measure the degree to which risk shifts occur, particularly among the members of teams.