

ABSTRACT:

Arms and Legs: Strategic Isomorphism, Dutch Auctions and Centipede Games

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Centipede games and Dutch auctions provide important instances in which game theory fails empirically. This paper reports an experiment designed to provide more insight into the extent to which game forms account for differences between theoretical predictions and actual play in games. Experimental treatments are implemented that introduce the independent private values information environment into new forms of the centipede game and introduce alternating bids into new forms of the Dutch auction. Clock forms of centipede games and game tree forms of Dutch auctions are implemented in experiments.