

Master of Arts Examination 2017
(2nd Year, 3rd Semester)
Economics
Experimental Economics

Time: Two Hours

Full Marks: 30

Answer Any Three Questions

3 x 10

1. What are the two main advantages of conducting experiments in economics and why? Describe the experiment Chamberlin reported in 1948. (5+5)
2. Describe the Trust Game. Discuss the results obtained by Berg et al. (1965). What do these results show? (4+6)
3. Describe a Public Good game. Define MPCR. Discuss the two results generally found in all Public Goods Games. (4+1+5)
4. Show how we can use Expected Utility theory to derive the Certainty Equivalence and Risk Premium for a Risk Averse individual. (10)
5. Describe the Natural Field Experiment conducted by List and Lucking-Reiley in the University of Central Florida and discuss the results. (10)