Case BE1 Instructions

Moderator Instructions

- Case overview, spreadsheet, description at www.ftsmodules.com/ethics/ethics2010.htm

- Overview has a discussion of the relevant issues and points of discussion before and after the trading

- The description is what is handed to students

Moderator Instructions

- Save BE1.XLS on your computer
- Run the FTS Market
  - Select "The Excel workbook is saved on this computer"
  - Locate the file and open it

    - Note: if you open the workbook directly from the link, it sometimes opens in a browser, and the FTS market may not be able locate it in memory

The Workbook

- The workbook has several worksheets
  - BE1 has the usual case information
    - Note cell B5 which has the maximum number of traders
  - The Ranges sheet controls
    - The outcomes (generated randomly)
    - The information
    - You will see the case data at the top
    - Cell B17 has the "# per stock"
    - There is a button "Generate Info" next to it

The Workbook

- You have to select how widely the information is distributed
  - A student gets at most one piece of information on one stock
  - So if the number of traders is 48 and you set "# per stock" at 6, then 18 students will receive information, 6 per stock; the rest will not receive any information
    - If you set it at 16, then every student will receive information
  - 3 * "# per stock" must be less than or equal to the maximum number of traders

The Workbook

- Once you have set the "# per stock" click the "Generate Info" button
  - This will generate a new set of outcomes for the earnings and will create the information, consistent with these outcomes, in the worksheets named msg_1_1, msg_2_1 etc.
    - Msg_2_1 refers to the messages sent in trial 2, period 1
  - **Save the workbook**
  - Have set the information structure and having generated the information, you are now ready to run the case
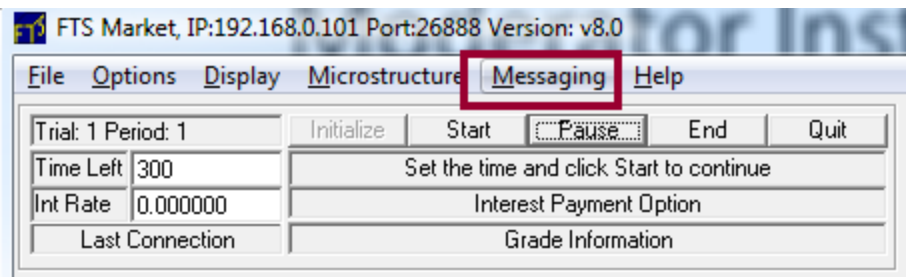
Moderator Instructions
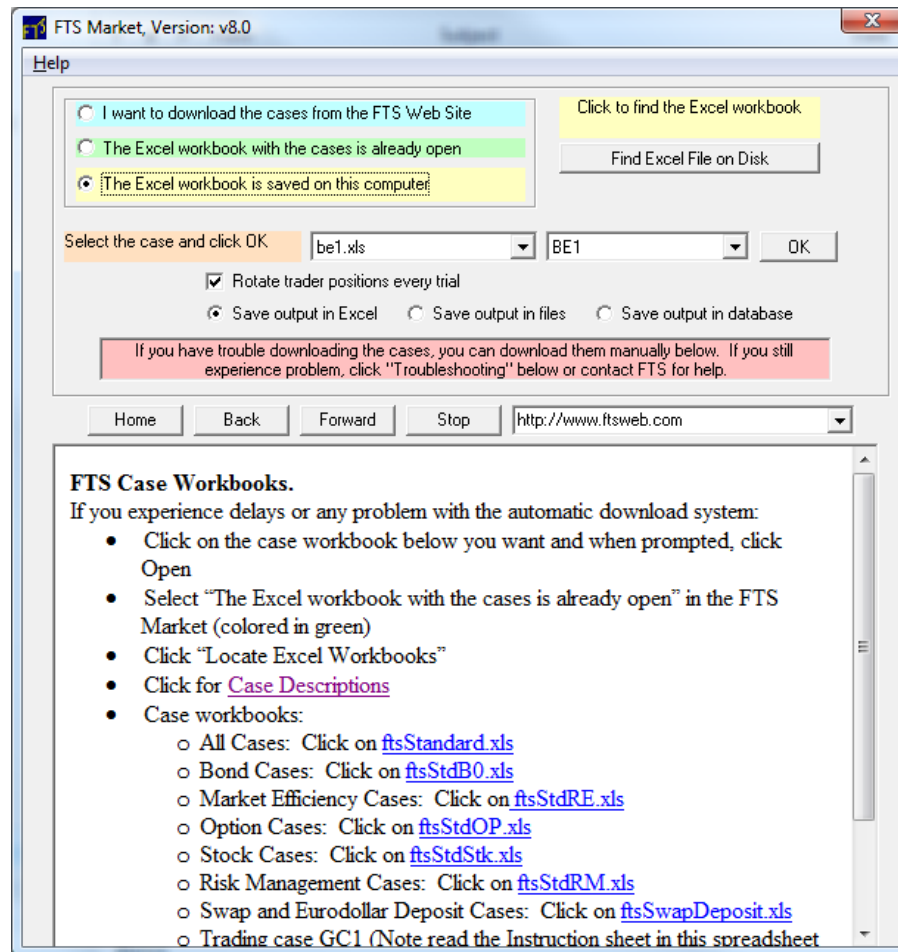
Moderator Instructions

- Run the case as normal
  - No practice trials
  - Do not change the maximum number of traders
  - Allow connections
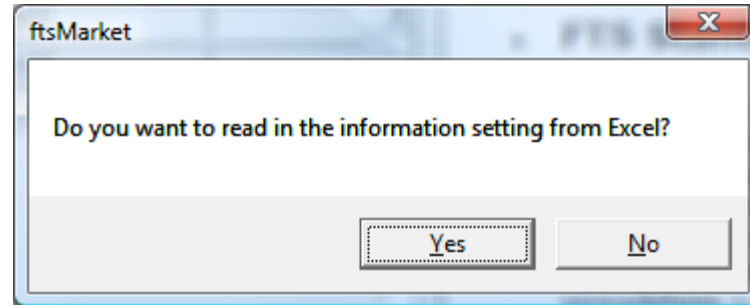 - Let the students log in

Moderator Instructions

- After the students have logged in
  - DO NOT CLICK START
    - We have to send the insider messages

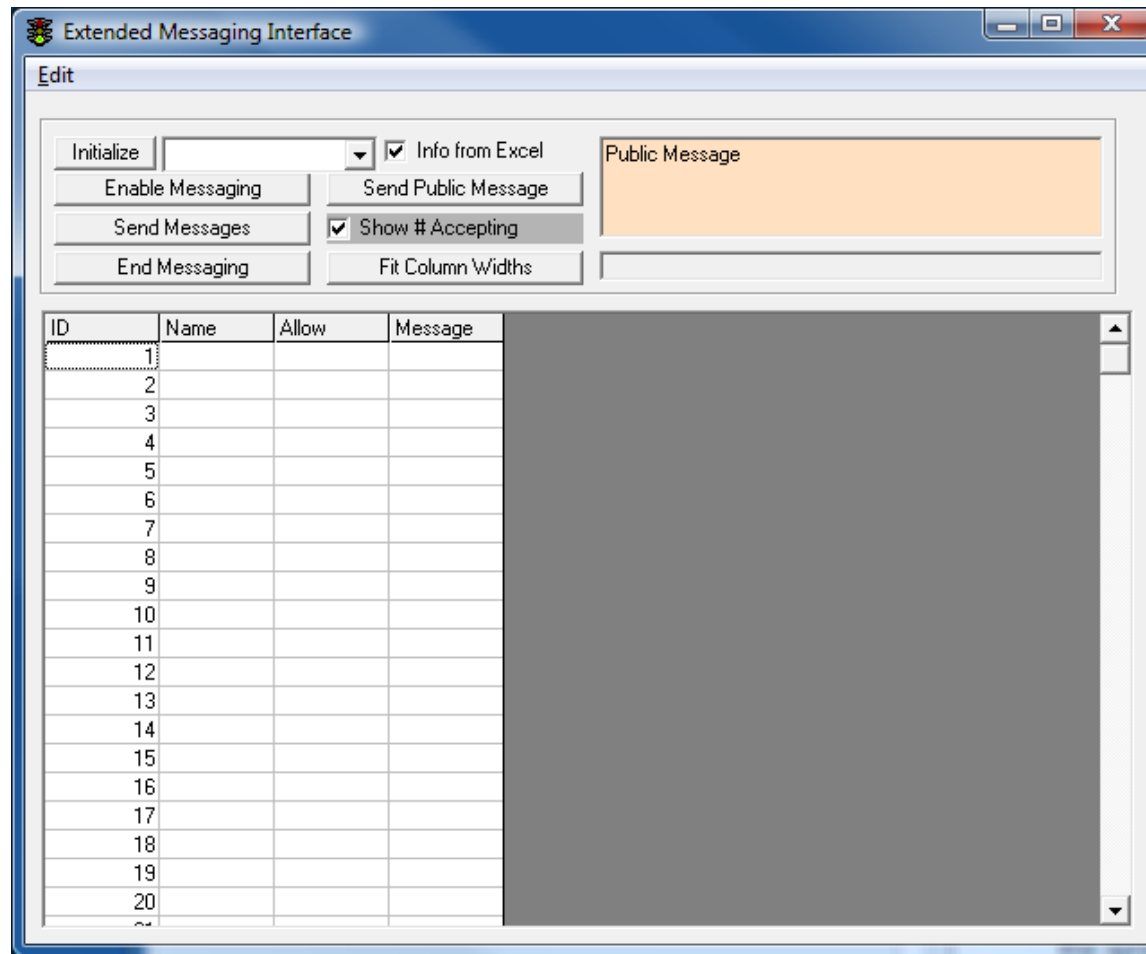 - Under the Messaging menu, select Extended Messaging
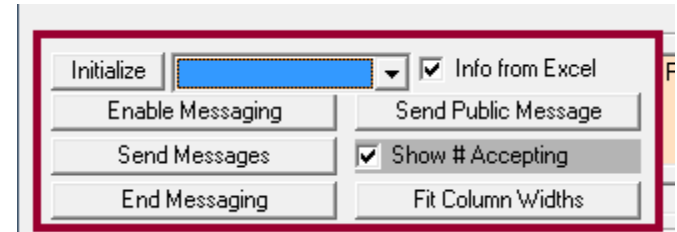
Messaging

- You will see:

- Click Yes

   – All the messages etc. will be sent from the Excel workbook created when you clicked "Generate Info"

# The Extended Messaging Interface

Messaging

- The rest is straightforward
  - Click Initialize
  - Click Enable Messaging
    - You will be asked to confirm
    - The traders will see their messaging window, described below
    - Check or uncheck "Show # Accepting"
      - If you check this, then students get to see how many other students have accepted the information; it allows the simulation of "if everyone is doing it, its OK for me to do it"
        » If you do not want this, uncheck it

Messaging

- Click Send Messages
- After some time, click End Messaging
  - This will hide the messaging window, and you click Start to start the trading
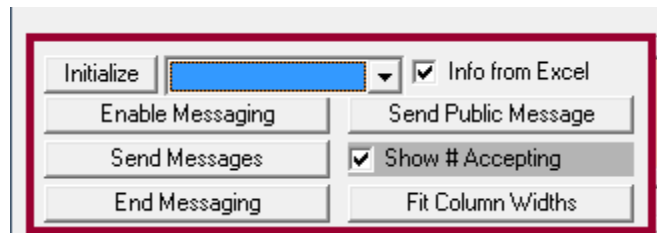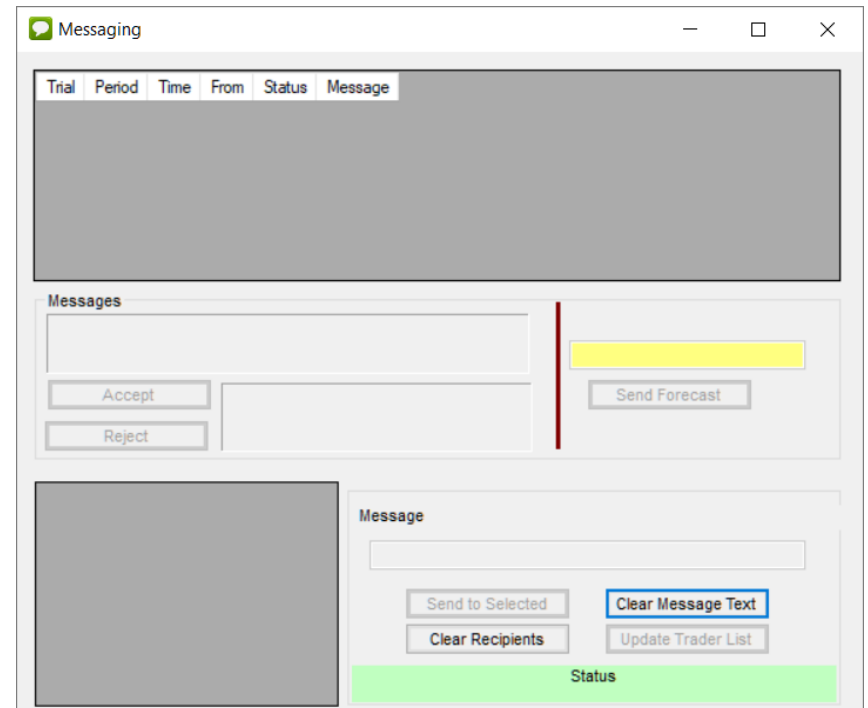
Messaging

- At the end of the trial, the messaging window will come up again
  - Click Enable Messaging
  - Click Send Messages
  - Click End Messaging
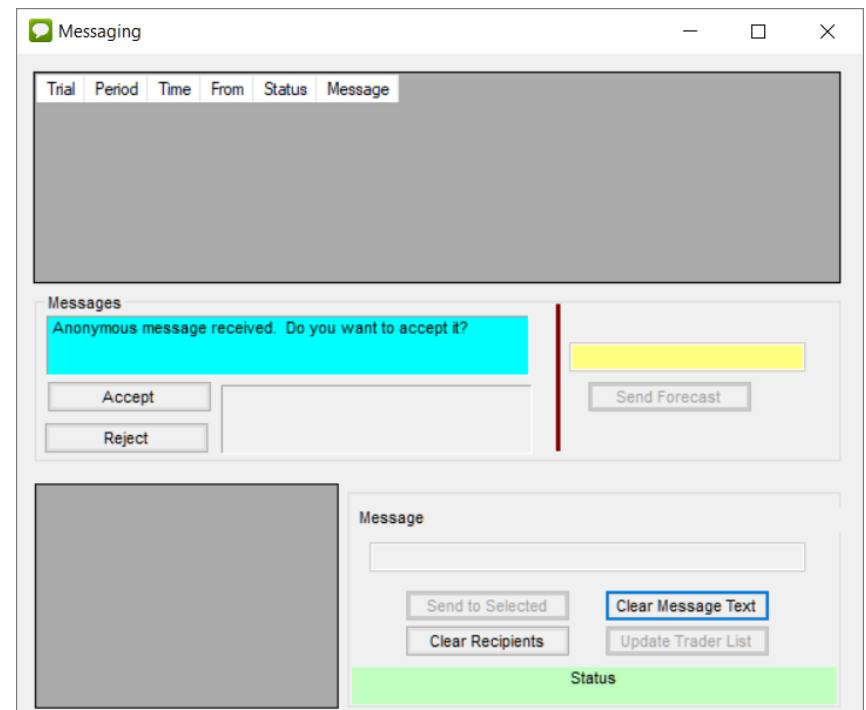 - Click Start to trade

The Traders

- When you enable messaging, the traders see this window

The Traders

- If they get a message, they can accept or reject it
  - If they don't then no message appears

The Traders

- If they accept it, they see the message

- If you are showing the number accepting, then they also see how many have accepted

The Traders

- When you click "End Messaging" the trader's messaging window is hidden; they can bring it up again from the Messaging menu item in the main trading window: