



Instructions – Prisoners Dilemma Game (Game 3)

Each group will be dealt four playing cards by the tutor. Two of these cards will be red (hearts or diamonds), and two will be black (clubs or spades). They will have the same number or face value i.e. they will all be ‘fives’ or ‘kings’ etc.

The game consists of a number of rounds. When a round begins, the tutor will come to each group in order, and collect the **two** cards that group has chosen to play. These two cards are placed **face down** on top of the stack in the tutor’s hand. The group’s earnings in £s are determined by what it does with its red cards.

The pay-off from keeping a red card will be different from the pay-off from placing them on the stack. In each of the first few rounds, for each red card a group keeps it earns a pay-off of £5 for that round. Red cards that are placed on the stack affect all the groups’ earnings in the following manner:

If a group plays a red card it will earn £10 as will all the other groups in the game. The tutor will count up the total number of red cards in the stack at the end of each round, and each group will earn this number multiplied by £10. Thus if there were 10 groups in the game and each of them contributed one of their red cards there would be 10 red cards in the stack. This would result in each group earning a pay-off of £100 plus £5 for the one red card kept. When the cards are counted, the tutor will not reveal which group played their red cards. They are returned **face down** so that students only know the choices made by their own group.

Black cards that are kept or placed on the stack have no impact on a group’s earnings. They simply help to keep the decisions made by each group anonymous.

To summarise, each group’s earnings for the first few rounds will be calculated as follows:

Earnings = £5 x the number of red cards kept + £10 x the total number of red cards the tutor collects.
--

After a few rounds, the tutor will announce a change in the pay-off for each red card that is kept. The pay-off from placing a red card on the stack will never change i.e. each group will earn £10 for every red card that is played. The tutor will also announce other changes as the game progresses.



Record Sheet

Round	No. of red cards kept (0, 1, or 2)	Earnings for each red card kept	Earnings for red cards kept (£0, £5 or £10)	£10 x no. of red cards in the stack	Total earnings this round	Cumulative earnings
1		£5				
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						