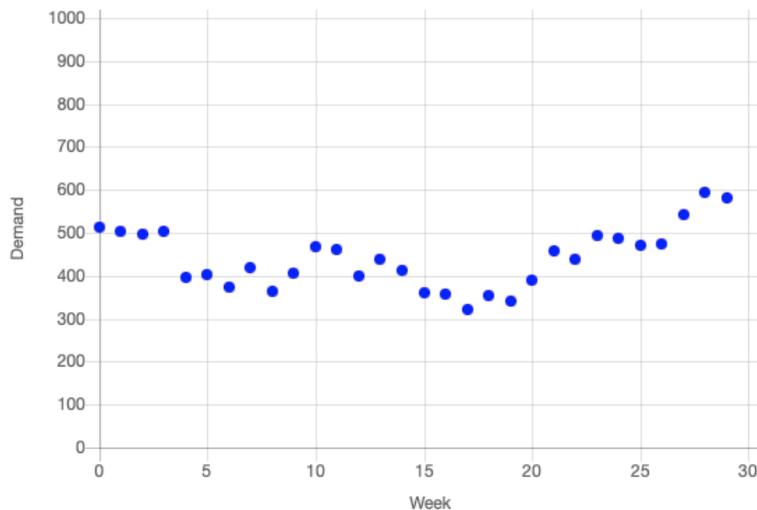


# INSTRUCTIONS

You are about to participate in an experiment on individual judgment. Please note that the tasks and questions in this experiment are designed **not** to test your knowledge, but to learn about your personal judgments. Moreover, all individual responses are completely confidential and anonymous. If you have questions, feel free to email one of the researchers.

## Task Description

You are managing inventory in a retail store and have to predict next week's demand for a particular product. The graph shows a history of demand realizations for the most recent 30 weeks.



In every round (“week”), you learn about that week’s demand, and your task is to predict next week’s demand. Session lasts 50 weeks.

## Performance Measurement

Over the course of the experiment, the computer will record your forecasts, the demand realizations, and the resulting forecast errors (displayed to you in a “history table”). A **forecast error** for a given period is defined as the absolute difference between this period’s realized demand and your initial forecast of this period’s demand. For example, if your forecast was 110 units and realized demand was 100 units, the absolute forecast error would be 10 units. Note that if your forecast was 90 units and realized demand was 100 units, the absolute forecast error would also be 10 units.

The **Absolute Percentage Error** is then defined as  $\frac{\text{Absolute Forecast Error}}{\text{Realized Demand}}$  which, in both examples above, is  $\frac{10}{100} = 10\%$ . Over multiple periods, the **Mean Absolute Percentage Error (MAPE)** is simply the absolute percentage errors averaged across all periods to date. For example, if your absolute percentage error was 10% in week 1, and 20% in week 2, then your MAPE at the end of week 2 is 15%.

### Payment

You will earn money in this experiment. You will receive \$5.00 for completing the study, plus up to an additional \$10.00 based on your performance. Your compensation will be  $\$5.00 + (\$10.00 \times (1 - \text{MAPE}))$  at the end of the experiment.

Consistent with University of Texas at Dallas policy, in order to pay you, you will have to record your name, address and date of birth. Note that this is only for payment purposes, and the study results are completely anonymous.

Lastly, this is part of an important research project, so we ask you to do your best on this exercise.

**Thank you for your participation!**