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Non-labor Discrimination
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Nota di contenuto	Contents; I. Introduction; A. Literature Review; II. The Theoretical model; A. The model structure; B. Theoretical predictions; Figures; 1. Prices and Traders' Expectations after a History of Buys; III. The Experiment and the Experimental Design; A. The experiment; B. Experimental design: the two treatments; 2. Prices and Traders' Expectations after a History of Sells; 3. Prices and Traders' Expectations after a Sell Followed by a History of Buys; IV. Results: Rationality, Herding and Contrarian Behavior; A. Treatment I; Tables; 1. Average behavior in Treatment I 2. Cascade trading behavior in Treatment I B. Treatment II; 3. No trade in Treatment I; 4. Average behavior in Treatment II; V. Comparison with Previous Experimental Results; 5. Cascade trading behavior in Treatment II; 6. No trade in Treatment II; VI. Individual Behavior; 7. Percentage of decisions in accordance with the theoretical prediction at individual level.; VII. Conclusions; 8. Regressions of the level of rationality in the experiment on individual characteristics. P-values in parenthesis 9. Regression of subjects' payoff at the end of the experiment on individual characteristics. P-values in parenthesis 10. Regressions of participants' proportion of herding, contrarianism and no trading on the trader's dummy. Herd 1 and Contrarian 1 refer to Treatment I. Herd 2 and Contrarian 2 refer to Treatment II. P-values in parenthesis; References
Sommario/riassunto	We study herd behavior in a laboratory financial market with financial market professionals. We compare two treatments, one in which the price adjusts to the order flow so that herding should never occur, and one in which event uncertainty makes herding possible. In the first treatment, subjects herd seldom, in accordance with both the theory and previous experimental evidence on student subjects. A proportion of subjects, however, engage in contrarianism, something not accounted for by the theory. In the second treatment, the proportion of herding decisions increases, but not as much as theory suggests; moreover, contrarianism disappears altogether.
