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Buy the Seat of Your Pants: Increasing the Stakes of a Classroom Experiment

This paper introduces a competitive seat market trade experiment for classroom use. The competitive seat market endows each student with a randomly assigned seat in which the student cannot sit. In order to obtain a seat to sit in, the student must purchase a seat from another student using their own real money. Students who do not purchase seats become "seatless." After the seat market students may rent or trade seats among themselves before or after class throughout the semester. The seat market generates a real competitive market experience within the classroom with a range of outcomes, including profit and property-lessness.

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1. Introduction

A. Literature Review

Using classroom experiments to bring economic theory to life has long been an alternative to traditional "chalk and talk" lectures. Chamberlin (1948) is the first to conduct a classroom experiment. Chamberlin describes induced supply and demand in a pit market where subjects mill around the room and bargain over the price of a fictitious good. In this setting Chamberlin (1948) observes non-convergence of the market trades to the predicted equilibrium. Vernon Smith (1962) changes the bargaining setting from a pit market to an oral double auction. Buyers and sellers submit public bids and offers. Further, Smith offers subjects the chance to gain experience and trade for multiple rounds. Results from these settings differ from Chamberlin's. The trading prices in Smith's experiments quickly converge to the predicted equilibrium.

Chamberlin (1948) and Smith (1962) provide the genesis of the field of experimental economics. The consequential literature emphasizes induced supply and demand experiments under various settings (e.g. Davis, Harrison & Williams, 1993, Williams & Smith, 1984).

The induced supply and demand experiments mentioned above differ from the seat market of this paper in one important way. The experimenter of induced supply and demand markets exogenously determines the values and costs that subjects use to base their bids and asks. In contrast, the seat market traders endogenously determine values and costs. Each subject determines how much they are willing to pay to obtain a classroom seat and what offers to accept in selling an endowed seat, depending on the standard exogenous factors, such as buyer income, preference for seat location, price of other seats in the room, opportunity cost of searching for a better deal, etc. This change adds realism to the market but comes at a cost: It is difficult to ascertain market performance in terms of tracking a predicted equilibrium price.

Using an English auction, Mateer (1997) is the first attempt to commodify classroom seats. In Mateer's procedures, the course instructor brings each classroom seat to bid in an auction setting at a starting price of $0.05. Students retain property rights over their seat purchases for the full semester: the student seat owners have the right to use, leave empty, rent, sell, or bequeath their seated property to other students in the class throughout the semester. Students who leave the classroom auction period without seated property are seatless. The seatless may contract to rent or purchase seats in future class periods, may arrive early to class each day in order to sit in a pre-designated "seatless" seat, or sit on the classroom floor (including during exams).

Because the classroom seats trade for real U.S. dollars paid by students, Mateer's (1997) English seat auction raises an ethical and a related incentive dilemma for generating genuine market behavior among students. The ethical dilemma rests with the instructor who controls the decision about how to disperse funds raised in the auction. Possibilities range from the instructor keeping the money (obviously morally problematic), applying the money toward an established scholarship, randomly selecting a student winner of the funds at semester's end, or spending the funds on snacks for the students during the semester. The incentive dilemma concerns whether the pre-announced plans for spending auction funds causes students to behave differently in the seat auction than in a market trade of private property. In the case of randomly selecting a student auction funds winner, students may view the seat auction as an entry into a lottery in addition to market participation. As a result, the prices generated in the seat auction may not reflect true willingness to pay for the seats alone. Such dual incentives may confound student understanding about market outcomes in purely private property

settings.

The competitive seat market framework of this paper circumvents both the ethical and incentive dilemmas of the English seat auction framework. Money only changes hands from student to student, resolving the instructor's ethical dilemma. Student traders' returns derive from the trade alone, resolving the incentive dilemma.

B. Implementation

The seat market places students in an unusual situation: they need to think about how to value an object that typically is free to them. Because students are paying real money for their seats and the results of the seat market last the entire semester (including exam days), the potential of being "seatless" can cause anxiety among students. Therefore, this implementation includes careful forethought to the structure of the competitive seat market.[1] This paper reflects detailed planning concerning the provision of student pre-seat market information, the process for students to opt out of the seat market, the requirement to complete written consent forms, and the process for handling monetary transactions.

In addition, each student must have the option to opt out of participation in the seat market.[2] The instructor randomly assigns a seat for the entire semester to each student who opts out. The students who opt out are passive observers of the seat market. Passive observation reduces learning that accrues through experience for those who opt out, but this exercise prioritizes voluntary participation.

Students learn about the upcoming seat market on the first day of class when the instructor reads a seat market script.[3] This script intends to inform students that the seat market will take place in the course and that participation is voluntary. The first-day script also identifies important early semester course dates relevant to student participation in the seat market and encourages them to attend regularly in the first two weeks.

After class drop-add ends students receive detailed instructions on the seat market and a consent form which each must sign (see appendix). The consent form identifies which students intend to participate and which students choose to opt out.

Before the seat market trading day, the instructor constructs a classroom map. The map includes a number identifying each seat in the classroom. The map identifies a seatless section of seats. And after generating randomly assigned seats, one seat per student, the map identifies assigned seats by participating student name.[4]

Typically, a course section has more seats available than students. After trading day, extra seats may either serve as first-come, first-serve public seating for those who opt to be seatless or extra seats may be held untraded and unseated the entire semester. Because seatlessness is a likely outcome after trading day, this experimental design includes a public seating section consisting of one to three seats available to any student throughout the semester.[5] The number

[1]This seat market experiment received Millersville University Institutional Review Board (IRB) approval before its first run.

[2]In four sessions of running the seat market, 67 of 156 (43%) students opted out.

[3]The appendix provides all the set-up materials to run the competitive seat market.

[4]Random seat endowments matter because students may value seats, especially seat location, differently. For example, associated with an awkward physical layout in classrooms where some of these experiments took place, 38% of 180 surveyed students identified a preference for the eight seats located on the ends of the rows.

[5]It is important to be thoughtful in selecting the public seating section. These seats should not be the typically most highly valued in the classroom. In all seat market sections run for this study, the public seating sections were closest to the instruction technology station at the front of the room.

of seats available to those opting not to buy or rent a seat is intentionally low, varying depending on the number of students in the class compared to the number of seats available in the room.[6] Instructors concerned with the ramifications of students sitting on the floor throughout the semester may reduce this likelihood by dedicating more seats to the public seating section.

Before the trading class period, it is helpful to physically attach numbers to seats to facilitate seat identification. Each seat also requires a portable numbered sign. On trading day, seat owners receive the sign for the seat owned and signal that a seat is available by waving the numbered seat sign.

Students receive information regarding which seat each participant owns when the instructor projects the classroom seat map onto a screen at the beginning of the trading day.[7] Each participant now knows which randomly assigned seat they own but may not sit in—thus the need for trade. The instructor hands out the portable seat signs to the seat owners. Non-participants take their permanent assigned seats at this time and spend the trading class period observing.

Before the seat market trading day opens, the seat market participants write down answers to a brief anonymous questionnaire: (a) What is the lowest price you are willing to take for the seat you currently own but cannot sit in?; (b) What is the highest price you are willing to pay for a seat that you can sit in?; and (c) How many seats are you willing to buy at the highest price you noted directly above?

The seat market trading day absorbs an entire class period (50 minutes or 75 minutes). Participants can make as many trades as they wish on trading day. When students agree on a trade, they fill out a contract denoting the transaction and exchange cash with the instructor as the witness.[8] The portable seat sign transfers to its new owner. As each seat transaction concludes, the instructor announces the seat number and trading price to the class and writes pricing information on the projected seat map. If the market stalls before the end of the class period then the market closes.

After the seat market closes, the participants answer minor variations of questions (a) and (b) about the lowest and highest prices again. Information from these questions (either before or after a trade) allows for the construction of a competitive seat market supply and demand graph to predict market equilibrium for comparison to trading results.

Although there is only one class period officially dedicated to trading, students may make trades or rent out their seats throughout the semester. All trades must include a contract (placed online for student access) with the instructor acting as a witness to money exchanging hands prior to the start of class.

C. Results

This section reports general results of the competitive seat market experiment run in four principles courses: two macroeconomics sections offered by one instructor and two microeconomics sections offered by another instructor. Each class included approximately 40 students.[9] At all seat market openings, participants acted as is typical in most classroom

[6]Students are first made aware of the number and location of the public seat section on the market trading day.

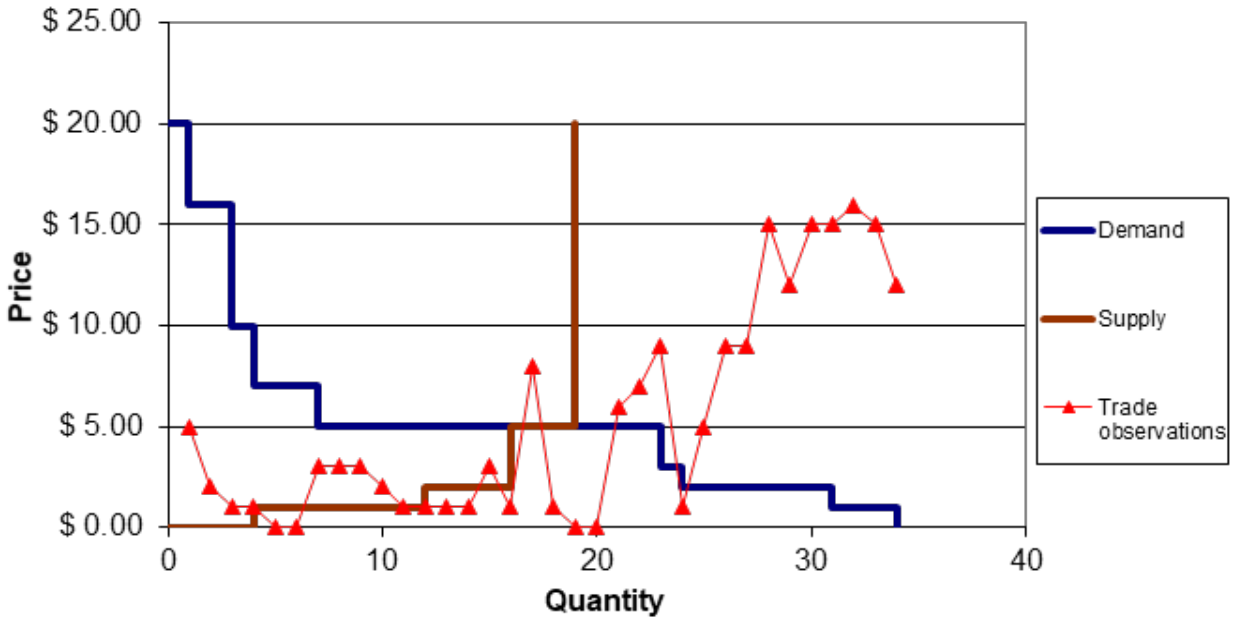
[7]Providing information on who owns which seat right before trading reduces the effectiveness of privately discussed and planned deals that may occur before trading day.

[8]Cash is the only means of payment in the seat market. Neither barter nor credit is an option. The instructor must bring a sufficient number of dollar bills and change to facilitate all financial transactions.

[9]This experimental design works well for class sizes under 50. Given that real money trades hands, even in small class sizes we recommend two market organizers on trading day (the instructor and one other person, whether

markets, holding up signs, yelling out commodity availability and prices, meeting potential traders, negotiating, and filling out trade contracts. Some seat markets passed slowly, others boisterously. Some students participated only twice, once to sell a seat and once to purchase one. Other students entered class intending to purchase multiple properties either to control seats located around them or in hopes of earning profit from later trades or rentals.

Figure 1: Seat Market Session IV Supply and Demand from Pre-Market Survey and Trade Observations



In an especially active market, a group of students engaged in a seat bidding war. Intense price negotiations resulted in the emergence of a price bubble, where trading prices climbed much higher than the predicted equilibrium and than in other markets. Figure 1 presents this section's seat market results. The supply and demand curves result from the pre-market survey. The predicted equilibrium price is $5 and the predicted equilibrium quantity traded is in the range 16-19. Actual trading prices are also present in the order they occurred. The average seat price from 34 trades is $4.97, effectively the same as the prediction. However, the average masks the increase in trading prices as the market progressed. Nine of the final ten trades occurred at prices two or three times higher than the equilibrium prediction. Further, the 34 actual trades far exceed the predicted equilibrium quantity traded.

In this particular market, three students that appeared to take themselves out of that market after buying and selling observed the bidding for some time. Recognizing the potential to earn a profit, the three re-entered the market. Two of the three made about $10 profit that trading day by selling the seats they could sit in at elevated prices, voluntarily opting for a semester of seatlessness; the third student bought a seat at a high price and rented it to another

a colleague, teaching assistant or staff member). It seems reasonable to attempt this experiment in class sizes between 50-100. It may be difficult to run this experimental design in classes larger than 100 due to setup costs (labeling all seats, creating signs for seats, etc.) and implementation (each monetary trade must be verified by a market organizer).

student for the semester, with a small positive profit by semester's end.

Table 1: Seat Markets Descriptive Statistics by Section

	Section I	Section II	Section III	Section IV
Number of students in seat market section	44	38	39	35
Number of seat market participants	23	27	19	20
Seat market opt-out rate	48%	29%	51%	43%
Number of participants who became seatless	5 (of which one purchased a seat later in the semester)	4 (of which 1 became a permanent renter)	1 (took permanent possession of a seatless seat)	6 (of which 2 became permanent renters)
Number of Trades	29	47	21	34
Average seat price	$1.24	$1.05	$1.35	$4.97
Standard deviation	$1.75	$1.34	$1.36	$5.70
Minimum price*	$0.00	$0.00	$0.00	$0.00
Maximum price	$4.75	$5.00	$5.00	$16.00

NOTE: "equal trade values" are treated as zero values

*All minimum prices are zero prices except Session III. In that session, the lowest "equal value trade" price was $1.00—see the Jack and Jill example in the text for explanation.

Table 1 displays summary statistics for the seat market trades by course section. Across all four seat markets, 57% of students actively participated and 43% passively observed. Students traded seats within a price range of $0.00 to $16.00 across the four seat sections. The average seat price per section ranged from $1.05 to $4.97. Standard deviations ranged from $1.34 to $5.70. All of the highest values are from Section IV which exhibited a seat price bubble.

The student instructions packet introduces $0.00 as a possible trading price. In all four sections, some students traded seats on trading day by signing a contract for one of the seats at a price of $0.00 and signing a second contract for their trading partner's seat at a price of $0.00. In some cases, the students effectively traded seats but at a non-zero price. For example, "Jack" and "Jill" signed a contract allowing Jack to buy seat #10 from Jill for $1; Jack and Jill signed a second contract for Jill to buy seat #41 from Jack for $1. Because all students had the option of trading each seat to their trading partner at a zero price, Jack and Jill's motivation for trading at a non-zero price is unclear. Beyond trading day, there were also two temporary rental agreements for a $0.00 rent.

Seatlessness can result when at least one student buys and retains more than one seat or when a seat remains unsold. In the four sections reported here, 10% of all market participants

(16 total) were seatless at the conclusion of the trading day. In Section III, there was only one seatless person who took permanent possession of a public seat. Across the other three sections, three who were initially seatless ultimately signed permanent rental agreements and a fourth purchased a seat later in the semester. This left eleven seatless scrambling for about half as many public seats across the three sections for the remainder of the semester. The class with the price bubble had students who voluntarily opted for financial profit instead of guaranteed seats, and this session had more seatless than public seats. In this class, students sat on the floor on a daily basis (including taking exams).

This experimental design reflects attempts to generate a voluntary, full information seat market. Nonetheless, there is uncertainty and risk in all markets. There is an important question of whether seatless students who sit on the floor suffer academically. A preliminary regression of final course grade on a dummy variable controlling for course instructor and a dummy variable indicating seatlessness returns insignificant results for seatlessness at the 10% level.

Later in the semester, after covering the theoretical supply and demand model in each class, the course instructors used class time to create the theoretical supply and demand curves for that section's seat market and plotted actual trades. In discussing shifts of demand, students responded with interest to the hypothetical question concerning the effect on equilibrium if the instructor provided additional income to market participants. The seat market is also relevant for other course topics. The seat market can illustrate the positive correlation between money and prices by asking the question to students of how price bids might change had they each been handed a $10 bill during trading day. And in macroeconomics courses that cover inequality and poverty, the daily outcomes of a seat market that generates some students holding multiple properties and other students being seatless can be instructive.

This study did not include a survey eliciting student feedback concerning the level of interest stimulated by the seat market and there is only anecdotal evidence to report from four students. University-mandated end-of-semester student evaluations include three comments that directly identify the seat market. Responding to "what did you like about the course?" one student responded, "seat buying/selling market" and another wrote, "I liked the interactive things like the seat market and tennis ball assembly line." In contrast, responding to "What could be improved?" another student wrote: "Drop the seat market. I did not like the seat market. Even those not participating were affected by the study." Finally, a few years later one of the instructors ran into one of the bubble-creating profit-earning traders that opted for seatlessness—she was a retail store manager. The former student immediately reminded the instructor of the seat market, fondly reporting that the trading opportunity (including the profit earnings obtained during class) had been a favorite college learning experience.

Conclusion

The competitive seat market is a novel approach that imposes realistic but reasonable costs directly into a classroom experiment. The costs include real student financial outlays and no guaranteed access to a commodity many students value: a classroom seat. Real student budget constraints and student preferences tend to generate reasonably low seat prices. All classroom seats sold for under $20 in this study, with the overwhelming majority selling well below $5. Based on the empirical observations for this study, the competitive seat market day concluded with 90% of the participants owning a commodity they value, with some generating personal monetary profit through their transactions, and the possibility of more transactions later in the semester.

The possibility of seatlessness did not generate many permanently seatless market

participants in the four seat markets reported here. When seatlessness or permanent renters do result, they serve to remind all students of the stakes involved in real-world markets with private property norms—beyond the profit potential. In the extreme, it is feasible (though highly unlikely) that a student could attempt to corner the market by purchasing all the seats. If attempts to monopolize do occur, this would provide direct experience of a consequence of free-market trading—a feature, rather than a bug, of this classroom exercise. But if an instructor wants to avoid the classroom management implications of the possibility of monopoly, a quota might be added in the experimental design. A price ceiling could also help reduce the impact of income inequality among students. These features, as well as their unintended consequences, could be a useful application to the seat market for those instructors covering these topics.

Typically, classroom experiments do not provide students with a choice regarding participation. The design of this competitive seat market includes such a choice. When given the option, just under one-half of seat market students opted out, choosing passive observation over active participation. Reports of other classroom experiments do not identify an "opt-out" option for students. It is unclear whether the high opt-out rate in this experiment is a result of increasing the stakes of participation (i.e. unknown monetary outlay and especially fear of being seatless with unknown implications on course performance) or whether opting out of classroom experiments is a general preference held by many students. Given that most contemporary real world U.S. markets frequented by undergraduates involve the norm of non-negotiated pricing, a 43% opt-out rate for a pit trading market may not be so surprising.[10]

There are numerous possibilities for further investigation using the seat market experiment. Siegfried and Redigs (1979) identify student value and attitudinal changes as important academic outcomes for students studying economics. The seat markets reported here generated two situations that may impact student values. First, seat markets introduce the potential for direct experience and observation of the seatless sitting on the classroom floor each day to take notes and to take exams. Second, seat markets can generate bubbles, pricing participants out of the market. Such direct experiences may affect student opinions about the efficiency-equity tradeoff of competitive markets.

Many economists argue that incentives matter in markets. In most classroom experiments, the student trades hypothetical commodities with the instruction to maximize personal monetary gain, and the student leaves the hypothetical market with neither real gain nor real loss. Some adaptations to the hypothetical classroom market only create a small probability for real financial gain (through an instructor payoff to a random participant) without any potential for financial or material loss. This imbalance in incentive structure may cause student classroom market behavior to diverge from real market behavior, and probably has implications for imbalanced learning about markets.

The incentives of a classroom market may influence the learning that takes place.[11] The

[10]An anonymous reviewer suggests that offering course extra credit to participate in the market may alleviate the high opt-out rate, and this may be appropriate to try. One instance of using course extra credit to incentivize students to participate in an economics experiment occurs in Isaac, Walker, and Williams (1994). They report an 87% participation rate from their students (pg. 9). Their experiment, however, did not present students with a chance of earning a negative outcome such as sitting on the floor for the semester.

[11]We compared student learning across three treatments: the seat market; the standard hypothetical market; and lecture-only. The assessment instrument was a common set of supply and demand multiple-choice questions. We examined the change in correct answers from a pretest to an exam occurring shortly after the market and from the pretest to final exam results. Statistical results were very sensitive to the model choice and choice of independent variables. We found some evidence that participating in either the seat market or the hypothetical market increased scores on the final exam compared to the students just receiving lectures. However, there was no statistical difference in scores between the students participating in the seat market and those participating in

seat market provides incentives for both financial gains and losses. The potential for losses may incentivize some students to act to avoid loss. Loss avoiders may opt out of the seat market completely or may trade seats for zero prices (or equal trade values), foregoing the potential for financial profit that the seat market presents. Indeed, the majority of trades in the seat market could be seen as loss avoidance. In the sessions reported here, few traders attempted to use the market setting for increased financial profit by purchasing multiple seats or attempted to extract higher prices for desirable seats (e.g. end of a row, back of the room). There are a few explanations. First, students are not socialized to trading in a pit market setting and being vocal about offers and bids. More reserved students may hesitate to bargain with more boisterous peers. Second, there may be concern about social consequences: students may be hesitant to capture financial profits from peers they will interact with for an entire semester. Third, students do not have the experience of monetizing seats that they obtain for free. A student usually pays for a more desirable seat by showing up to class earlier than her peers. Therefore, students fail to associate the desirability of a seat with a market price.

Stevenson and Wolfers' (2019) *Principles of Economics* textbook explicitly introduces students to the issue of assigning a monetary price to express value. Specifically, the text encourages readers to ask themselves "How much am I willing to pay to obtain a particular benefit or avoid a particular cost?" (pg. 6). Instructors may be able to encourage higher student seat market participation through a pre-market class discussion that asks students what non-monetary costs they incur to obtain a desired seat. For example, do they ever show up early to class to obtain that desired seat? If so, they might reflect on how to translate non-monetary costs into a monetary price. Further changes in seat valuations could be stimulated as the semester progresses by the instructor using a different location of the room to display notes or having students sitting in certain seats receiving immunity from being called upon to answer questions.[12]

Finally, it would be instructive to obtain insight into student decision making, overall interest and the level of engagement stimulated from participation in the seat market, and to compare these survey results to those students choosing passive observation.[13] A post-trading day survey might ask questions concerning how and why the students behaved as they did, how they might change their trading behavior if more trading days occurred, and the level of interest that the seat market stimulates in course content. It would be interesting to include questions that could identify students' risk preferences to relate to active participation versus passive observation decisions. It would also be instructive to learn whether there is a statistical difference in the interest level of students actively participating versus passively observing.

Challenges still exist to construct classroom markets that create real incentives in the form of profit, in the form of loss, and in the form of needs satisfaction. These classroom markets must also maintain reasonable boundaries for profits, losses, and needs satisfaction. Examining learning outcomes of such classroom experiments warrant continued investigation.

a hypothetical market.

[12] We thank an anonymous reviewer for this suggestion.

[13] We thank both anonymous reviewers for this suggestion.

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Appendix

A. First Day Script to Introduce the Seat Market

We are going to do something a little bit different in class this semester. Right now I'm not going to give you much information except to let you know what will happen and to strongly encourage you to be sure you come to class every day for the next two weeks.

We are going to create a market for seats in the classroom. Here's how it's going to work. You will be given a seat to participate in this market, but you will not be able to sit in it. You'll also be asked to bring real money to class and use that money to buy and sell seats on the day of the market. You have the possibility to make some money by selling seats as well.

So here are the basics you need to know right now:

1. You will have the opportunity to participate in a seat market where you will bring cash to class in an attempt to buy and sell one or more seats for your use this semester.

2. Your participation in this market is voluntary. If you choose not to participate, you will be assigned a seat by the instructor for the duration of the semester.

3. The seat you will be given will be randomly determined. If you want to come watch to make sure the seat assignments are randomly determined, contact me.

4. The seat market will take place on _____

5. In order to participate you must sign and turn in a consent form. The consent form will be handed out on _____. We will also review detailed instructions for your participation in the market on this date.

6. Signed consent forms will be collected the next class period, on _____

7. So my BIG POINT: It is in your best interest to be in class every class period for the next two weeks.

8. Questions will be handled later when we review the instructions for participation in the seat market.

B. Seat Market Information Handout

CLASSROOM SEAT MARKET PERIOD DATE:_____

(write in date given by instructor)

SIGNED CONSENT FORM REQUIRED FOR PARTICIPATION DUE BY:_____

(write in date given by instructor)

In order to participate in the seat market, you must be at least 18 years old. A signed and dated consent form is required to participate in the seat market. If you do not consent to participate in the seat market, you will be assigned a seat for the semester. You may not rent or sell this seat at any time during the semester. You will not be able to buy or sell any other seats in the class throughout the semester as well. During the classroom seat market period, you will be an observer of the classroom market.

C. Instructions

Each row has been assigned a color and each seat in this classroom has been assigned a number 1-45. The back row seats are blue, the second row from the back is green, the second row from the front is red, and the front row is yellow. Each student is randomly assigned one seat. A seat map will be projected on the screen to remind all students of the row colors and the seat numbers. A number has also been placed on each seat for the trading class period to help you in your transactions. As a seat owner, you will be provided with a sign that informs others which seat you own; if you hold up your sign, that signals that the seat is available for sale. Although this originally assigned seat is your property, you may not sit in it.

You are required to bring real U.S. currency to conduct transactions for seats during the classroom market period. Change and $1, $5, $10 bills are preferred. Do not bring any denomination larger than $20.

During the classroom market period you will play the role of buyer and/or the role of seller for classroom seats. The seat(s) you end up with after trading this class period will be your property during class this semester: you may choose to sit in the seat(s) you own (except the original seat you were given), you may rent or sell your property to another student at any time during the remainder of the semester, or you may leave your seat(s) empty. Please note there is no guarantee that a student buyer will want to rent or purchase any of your seats.

Market Procedures: Buyers and sellers will negotiate during one classroom trading period. **Express prices in real U.S. currency (e.g., dollars and cents.)** Any price (including zero) is a possible trading price. ONLY U.S. CURRENCY WILL BE ACCEPTED AS PAYMENT (NO BARTER). When a buyer and a seller agree on a price, they will fill out one contract. ANY CONTRACT THAT IS NOT COMPLETE WILL BE INVALIDATED. After completing the contract, it is to be turned in to a market organizer. Money must be exchanged between buyer and seller with the market organizer as a witness when the contract is turned in (the market organizer has change). All purchases must be paid for at the time of contract. ANY PURCHASE THAT IS NOT IMMEDIATELY PAID FOR WITH CASH IS INVALIDATED. The sign representing the seat should be transferred to the new seat owner after the money is exchanged. The price will be announced to the class and will be updated on the seat map. Students are free to trade as many seats as many times

as they want throughout the classroom market period. You are allowed to buy first or sell first. You do not have to take the other person's seat in trade; you can buy from one person and sell your assigned seat to another person.

The seat map with prices and student names from the seat market is information that will be made publicly available on D2L. All cash exchanged is from student to student with a market organizer as a witness.

D. General Recommendations:

--*It is in your best interest to be present in class during the classroom seat market trading period.*

If you must be absent during the classroom market period, you will own a seat that you cannot sit in when you next attend class (you will be classified as "seatless," see below). It will be your responsibility to attempt to buy a seat you can sit in and/or sell your assigned seat in a later class period. Any transactions must be accompanied by a valid contract turned in to the instructor with the instructor as a witness to the money exchanged.

--You may buy more than one seat. If you intend to rent or sell these seats in later class periods, you may or may not be able to find renters or buyers for these seats.

--You must bring money to class and pay for your seat at the time of purchase with a market organizer as a witness.

--You do not have to buy the seat your buyer owns when you sell that buyer your seat.

--If you do not buy a seat, you will be "seatless." There will be a first-come, first-serve public seat section in the classroom that will be identified on the classroom map. The public seats are filled on a first-come first-served basis each class period for the rest of the semester. If there are more seatless students than public seats, late-comers will sit on the floor that class period.

--You may buy or sell seats at any time later in the semester. Any transactions must be accompanied by a valid contract turned in to the instructor with the instructor as a witness to the money exchanged.

-- Data from the contracts may serve as the foundation for later classroom material and research analysis.

E. Seat Market Questionnaire

Name:_____ Seat Number:_____

What is the lowest price you are willing to take for the seat you currently own but cannot sit in? _____

What is the highest price you are willing to pay for a seat that you can sit in?_____

How many seats are you willing to buy at the highest price you identified directly above?_____

F. Day of Market Seat Contract

Seat Contract Date of Purchase_____

_____ purchases seat_____

(buyer first and last name) (seat number)

from

_____ for a price of $_____.

(seller first and last name) (price)

G. Post Market Seat Rental Contract

Seat Rental Agreement Date of Agreement_____

_____ agrees to rent seat_____

(rentee first and last name) (seat number)

from

_____ for _____ class periods

(renter first and last name)

at a per class price of $_____.

(price per class)

_____

(signature of rentee)

_____

(signature of renter)

Note: THIS AGREEMENT MUST BE SIGNED AND TURNED INTO THE INSTRUCTOR BEFORE THE TRANSACTION IS VALID. ALL MONEY MUST BE EXCHANGED FROM RENTEE TO THE RENTER WITH THE INSTRUCTOR AS WITNESS WHEN THE AGREEMENT IS TURNED IN.