

Lecture 10 (AO, May 7) - worksheet

1. What is the Duhem-Quine problem and why could it be of importance to you? (Give a couple of examples.)
2. What is a hypothetical bias in contingent valuation studies? (Summarize Table 1 in the Harrison & Rutstroem 1999/2008 study).
3. What are the key results of the Murphy et al. (2003) meta study discussed in Murphy & Stevens (2004)?

Do these results contradict, or support the results in Table 1 in the Harrison & Rutstroem (1999/2008) study?

4. "The usual concern (that seems to be borne out in many studies) is that people will over-state their WTP: 'As a matter of logic, if you do not have to pay for the good but a higher verbal willingness to pay (WTP) response increases the chance of its provision, then verbalize away to increase your expected utility. Similarly, if your verbal statement of a higher willingness to accept (WTA) compensation might reduce the risk that the commodity will be taken away from you verbalize as high an amount as you want.' (Harrison and Rutstroem ~ 1999/2008, p. 752) What's the problem with this statement? (Why does it not explain the results on hypothetical bias?)

5. What is the basic point that Murphy and Stevens (2004) make in their article?
6. What is the basic point that Harrison, Harstad, and Rutstroem (2004) make in their article?
7. What are the basic findings and take-home messages from the two Plott-Zeiler (2005, 2007) articles that we briefly discussed in class? Do these results contradict, or support the results that List (2004) reports (and that we discussed in class twice)?