

The paper proposes a new experimental design to study asset market bubbles. Students have to bet on which slide their professor is going to end the lecture. A number of securities that correspond to sets of three slides are then traded over one week. The security associated with the realized final slide pays off while the others do not.

Assessment

The experimental setup is original. Compared to standard experimental asset markets, its main strength is to add uncertainty about the payoffs and to add a field flavor. Unlike experiments that study uncertainty, however, participants could not even form beliefs about the probability of probabilities, which in my opinion is closer to real financial markets.

Comments:

- There is one more difference with standard lab experiments (SSW) that I think should be mentioned. Only the best performers in the experiment receive a payoff, which brings a tournament dimension to the experiment and may affect the results.
- I would not state that the experiment is double-blind. The professor has an influence on which slide he ends the lecture. He could spend more or less time on slides towards the end of the lecture, possibly unconsciously. The fact that his beliefs do not predict the final slide is in my opinion not enough to conclude that the experiment is double blind. The professor could have done this on purpose in order to be able to advertise his experiment as double-blind.
- The authors conduct follow-up experiment in which participants are additionally informed about the sum of all prices. Since this is important to assess the rationality of markets, I would like to see a discussion of how easy it was for participants in the main treatment to compute this sum.
- The fact that bubbles decrease from one week to the next is similar to standard asset market experiments, where bubbles also tend to disappear with experience. The authors may want to mention this similarity.