Responses to Reviewer 2:

Motivation and Significance of the Research

In order to better motivate the paper and centralize the research questions asked, we have rewritten parts of the introduction, mentioning clearly what is being investigated on page 7.

The current work introduced the TBG and evaluated the transactions between the three players under varying information conditions. We are specifically interested in three research questions:
RQ1: What is the role of information availability on trust and trustworthiness between three players?
RQ2: What would be the effect of the random multiplier on amounts transacted between the three players?
RQ3: Further, would information asymmetries and reputational concerns jointly interact with the multiplier value to influence decisions? (Johnson & Mislin, 2011).
Thus, the phenomena under investigation were the trust and trustworthiness between players under conditions of probabilistic returns and information asymmetries.

We include a few more examples where the multi-player trust game can be applied on page 3:

Typical applications of such a multi-player trust game can be seen in areas such as real estate (where a broker often mediates investment in property), or insurance (where a salesman typically facilitates choice of an optimal policy that yields returns to the investor). For more examples, we refer the reader to Sheremeta and Zhang (2011).

We agree with the reviewer that cultural differences may not be a relevant aspect of the literature for this study, and have deleted these references from the first paragraph on page 2.

Design

Given the multiple design features that we implement in the TBG over the traditional trust game, we highlight limitations of features such as the random termination rule, asymmetric information, and probabilistic returns in the conclusion section (page 20):

In general, given the many features of the trust game introduced simultaneously in the TBG, it is difficult to clearly identify effects of each design feature independently. For example, we do not have a deterministic multiplier condition to test the effects of the probabilistic multiplier.

We describe in detail the rationale behind imposing a minimum amount to be returned by player C in footnotes 6 and 7. Earlier versions of this manuscript contained arguments addressing the

inequality aversion argument, but given that this is not the main focus of the paper, we do not dwell in detail into this discussion.

Figure 1 has been changed following similar comments from reviewer 1, which now depicts an equilibrium prediction for the game, along with a depiction of the extended-form version of the TBG.

Procedures:

The demographic data of the participants has been rewritten for clarity on page 12.

There were two practice rounds to test for comprehension of instructions. The groups whose data was dropped were those who could not complete the practice rounds successfully. We have reorganized the design section to make it distinct from the discussion of the results.

Analyses:

We have revised Table 1 for clarity and mentioned the specific tests as well as significance levels for the tests used. These are in line with similar concerns raised by reviewer 1. We are seeking to report median values of each of the variables of interest and perform a Mann-Whitney U-test as well as Robust Rank Order Test on all decisions for all participants. Issues around clustering are addressed when revisions to the regression analyses are discussed below.

We acknowledge this limitation in the concluding section of the paper, given that we are not able to compare the effects of a probabilistic multiplier, nor the random termination rule. We have reported other non-parametric statistics in Table 1, and propose to trim the detailed discussion of the results of correlational analyses, using them alongside the results of the summary statistics to motivate the regression analysis. This is revised page 14 onward.

While the statistically significant results for the last round are indeed interesting, they cannot be explained by the design that we have proposed since we use a random termination rule. In essence, participants did not know that the game would terminate after the 5^{th} round and hence we are unable to explain these as end-game effects.

We propose to revise the regression analyses to incorporate the advantages of the model proposed, where the first model will use only the linear terms of information and dividend, while the second specification also includes the interaction term. The results of this model suggest that the trust broker's back transfer (an indicator of altruism) increases significantly with the dividend produced but is not significantly explained by the information treatment. A higher initial transfer from player A to B was significantly associated with a higher level of back-transfer. However, the higher the transfer from B to C, the lower the amount player C gave back to B. Given that the

information condition is not taken into account here, we look to incorporate results from the second model that includes the interacted variables. The results from this model show when information is available, the average back-transfer from B to C is reduced by 2.06 units. However, a higher dividend in the full information condition (relative to the no information condition) increases the back-transfer significantly by 0.34 units. This suggests that information availability only results in a higher transfer when the multiplied value is large. Other results are consistent with model 1. The results are shown in Table 1:

Table 1: Regression analysis using revised specification (with and without round fixed-effects)

VARIABLES	(1) Amount C retains over the principal	(2) Amount C gives over the principal	(3) Amount C retains over the principal	(4) Amount C gives over the principal
Dividend	0.407***	0.593***	0.610***	0.390***
	(0.125)	(0.125)	(0.0833)	(0.0833)
Information Condition: 0 = No Info; 1 = Full/Partial Info = 1	-0.423	0.423	2.061***	-2.061***
	(0.493)	(0.493)	(0.641)	(0.641)
Full Info # Dividend			-0.340***	0.340***
			(0.103)	(0.103)
Transfer Amount from Player A to B	-0.355*	0.355*	-0.107	0.107
	(0.196)	(0.196)	(0.119)	(0.119)
Transfer Amount from Player B to C	-0.263	-0.737***	-0.304**	-0.696***
	(0.185)	(0.185)	(0.131)	(0.131)
Iteration number = 2	-0.960	0.960	-0.984	0.984
	(0.886)	(0.886)	(0.628)	(0.628)
Iteration number = 3	-1.319	1.319	-1.236	1.236
	(0.918)	(0.918)	(0.945)	(0.945)
Iteration number = 4	-1.050	1.050	-0.755	0.755
	(0.754)	(0.754)	(0.585)	(0.585)
Iteration number = 5	-1.757**	1.757**	-1.410*	1.410*
	(0.777)	(0.777)	(0.762)	(0.762)
Constant	2.619***	-2.619***	0.489	-0.489
	(0.890)	(0.890)	(0.676)	(0.676)
Observations	200	200	200	200
R-squared	0.418	0.590	0.523	0.664

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

In line with the reviewer's suggestion, we also undertake a similar analysis for the one-shot game to first understand trust and trustworthiness behaviour devoid of history of transactions. The results are similar to the full regression model (with round fixed-effects) discussed earlier, suggesting that even in the first iteration, a larger multiplied value results in a higher back-transfer (and therefore altruism) by player C only when information about transfers and/or earnings is made available to all players. The results of the one-shot game can be found in Table 2:

Table 2: Regression analysis of one-shot game

VARIABLES	(1) Amount C retains over the principal	(2) Amount C gives over the principal	(3) Amount C retains over the principal	(4) Amount C gives over the principal
Dividend	0.266	0.734**	0.432**	0.568***
	(0.347)	(0.347)	(0.189)	(0.189)
Information Condition: 0 = No Info; 1 = Full/Partial Info = 1	-1.818	1.818	2.096*	-2.096*
	(1.106)	(1.106)	(1.034)	(1.034)
Full Info # Dividend			-0.427***	0.427***
			(0.132)	(0.132)
Transfer Amount from Player A to B	0.222	-0.222	0.261	-0.261
	(0.196)	(0.196)	(0.160)	(0.160)
Transfer Amount from Player B to C	0.0636	-1.064*	0.401	-1.401**
	(0.628)	(0.628)	(0.514)	(0.514)
Constant	0.963	-0.963	-1.888*	1.888*
	(0.814)	(0.814)	(0.947)	(0.947)
Observations	40	40	40	40
R-squared	0.542	0.585	0.729	0.755

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1