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## When Curiosity Kills the Profits: An Experimental Examination

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## Abstract

Economic theory predicts that in a first-price auction with equal and observable valuations, bidders sam zero profits. Theory also predicts that if valuations are not common involvelege, then since it is weakly dominated to bid your valuation, bidders will bid less and earn positive profits. Hence, rational players in an attetion game should prefer less public information. We are perhaps more used to seeing these souths in the equivalent Bertrand setting. In our experimental aution, we find that individuals without information on such other's waluations earn more profits than those with common knowledge. However, given a choice between the two sets of rules, approximately half the individual preferred to have the public information. We discuss possible explanations, including showing that there is a correlation between ambiguity arersion and a preference for having more information in the accision.

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1

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ambiguity aversion and a preference for having more information in the auction.

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