

## VeconLab: Double Auction

The Veconlab double auction market is a computerized continuous market where the best bid and offer are displayed in real time. In each round you'll be buying or selling up to three "units" (contracts).

<http://veconlab.econ.virginia.edu/>

### Veconlab : Experimental Economics Laboratory

Login as Administrator

Set up, manage and review experiments.

Login as Participant

Participate in an economics experiment.

## Veconlab Participant Login Screen

**Initial Login for All Programs:**  
(if no ID has been assigned)

Login

**Subsequent Login to On-going Experiment**  
(emergency restart if you already have been assigned an ID)

Emergency Restart

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## Veconlab: Enter Session Name

Please enter the session name supplied by your instructor.

**Session Name:**

Submit

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## Veconlab: Participant Login

**First Name:**

**Last Name:**

**Optional Password:**  (up to 4 letters and/or numbers)

**Re-enter Password:**

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### Participant Login Check Screen

Your ID will be: **2**  
You did not enter a personal password,  
so a password of **2** has been assigned.

Please write these down:

**ID number = 2**  
**Password = 2**

You will need both of them if you log off (or lose the connection) and log on later.

Press Continue to see whether other participants have finished signing on.

To Update, Press:

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## The play

- You are randomly assigned to be a buyer or a seller.
- As a buyer, you will receive three units (“contracts”) to buy at random “values”.
  - The value corresponds to the buy limit price in the floor game.
  - “Buy one unit with a value of \$10”  $\Leftrightarrow$  “Buy limit 10.”
    - If you buy at price  $P$ , you make  $10 - P$ .
- As a seller, you will receive three units (“contracts”) to sell at a random “cost”
  - The value corresponds to the sell limit price in the floor game.
  - “Sell one unit with a cost of \$6”  $\Leftrightarrow$  “Sell limit 6.”
    - If you sell at price  $P$ , you make  $P - 6$ .

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## Sample buyer screen

### Double Auction: Buyer 1, round 1

Please wait until your instructor starts round 1  
(from the admin control screen).

		unit	value	bid price	earnings
<b>Bid/Ask Sequence</b>		1	\$10.00		\$0.00
	<b>Bid</b>	2	\$8.00		\$0.00
	<b>Ask</b>	3	\$5.00		\$0.00
				Total Earnings:	<b>\$0.00</b>

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## Sample seller screen

**Results for Round 1, Seller 2**

Please wait until your instructor starts round 1  
(from the admin control screen).

	unit	cost	ask price	earnings
<b>Bid/Ask Sequence</b>	1	\$4.00		\$0.00
<b>Bid</b>	2	\$5.00		\$0.00
<b>Ask</b>	3	\$6.00		\$0.00
	Total Earnings:			<b>\$0.00</b>

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## The market

- Trading is continuous. Bids and asks can be entered at any time. Trades can occur at any time.
- Buyers may submit bids or accept the lowest available ask price.
  - A bid must be no higher than the buyer's value.
- Sellers may submit asks or accept the highest available bid.
  - An ask must be no lower than the seller's cost.

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## The market (cont'd)

- A trade between a buyer and a seller results in the cancellation of all prior bids for that buyer and of all prior asks for that seller. Others' bids and asks still stand and do not need to be resubmitted.

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## Buyer screen, after market has started

**Double Auction: Buyer 1, round 1**

Please wait until your instructor starts round 1  
(from the admin control screen).

**Please Note:** Auto refresh has timed out.  
Please press the Update button to get results.

	unit	value	bid	price	earnings
	1	\$10.00	<input type="text"/>		\$0.00
<b>Bid/Ask Sequence</b>	2	\$8.00			\$0.00
<b>Bid</b>	3	\$5.00			\$0.00
<b>Ask</b>					
	Total Earnings:				<b>\$0.00</b>

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## Seller screen, after market is started

**Results for Round 1, Seller 2**

Disable Auto Update to Make Asks

Highest Bid = \* , Lowest Ask = **\$10.00**  
Please enter or revise ask prices.

	unit	cost	ask	price	earnings
<b>Bid/Ask Sequence</b>	1	\$4.00			\$0.00
	2	\$5.00			\$0.00
	3	\$6.00			\$0.00
	Total Earnings:				<b>\$0.00</b>

**Round 1 Price Sequence:**

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## Buyer screen

**Double Auction: Buyer 1, round 1**

Please wait until your instructor starts the market  
(from the admin control screen)

Update

**Please Note:** Auto refresh has timed out.  
Please press the Update button to get results.

	unit	value	bid	price	earnings
<b>Bid/Ask Sequence</b>	1	\$10.00	<input type="text"/>		\$0.00
	2	\$8.00			\$0.00
	3	\$5.00			\$0.00
	Total Earnings:				<b>\$0.00</b>

Submit/Update

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## Buyer screen, after submitting a bid

**Double Auction: Buyer 1, round 1**

Disable Auto Update to Make Bids

Highest Bid = **\$4.00**, Lowest Ask = **\$10.00**

unit	value	bid	price	earnings
1	\$10.00	<b>\$4.00</b>		\$0.00
2	\$8.00			\$0.00
3	\$5.00			\$0.00
Total Earnings:				<b>\$0.00</b>

**Round 1 Price Sequence**

**Bid/Ask Sequence**

**Bid**      **Ask**

**4.00**

Everyone in the market will see the best bid.

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## Back to the seller screen ...

**Results for Round 1, Seller 2**

Highest Bid = **\$4.00**, Lowest Ask = **\$10.00**  
Please enter or revise ask prices.

unit	cost	ask	price	earnings
1	\$4.00	<input type="text"/>		\$0.00
2	\$5.00			\$0.00
3	\$6.00			\$0.00
Total Earnings:				<b>\$0.00</b>

**Bid/Ask Sequence**

**Bid**      **Ask**

**4.00**

A seller can enter an ask. If it is at or below the bid, there will be a trade. In this case, if the seller enters an ask of "4", there will be a trade, but the seller won't earn anything. Let's try it anyway ...

Submit/Update

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## The revised seller screen

**Results for Round 1, Seller 2**

Highest Bid = \* , Lowest Ask = **\$10.00**  
Please enter or revise ask prices.

	unit	cost	ask	price	earnings
<b>Bid/Ask Sequence</b>	1	\$4.00	\$4.00	\$4.00	\$0.00
<b>Bid</b>	2	\$5.00			\$0.00
<b>Ask</b>	3	\$6.00			\$0.00
Total Earnings:					
<b>Round 1 Price Sequence</b>					
<b>\$4.00</b>					

The trade is reported and is seen by everyone. The buyer's bid is cancelled.

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