

Prediction market quiz, to be taken on *Online Classroom*

Question 1 (1 point)



There are yellow and white balls in a container, and of all the balls, 60% are yellow. What is the probability a randomly drawn ball will be yellow?

Question 1 options:

60%

< 40%

40%

> 60%

Save

Question 2 (1 point)



There are yellow and white balls in a container, and of all the balls, 60% are yellow. What is the probability a randomly drawn ball will be white?

Question 2 options:

40%

60%

> 60%

< 40%

Save

Question 3 (1 point)



There are yellow and white balls in a container, and no one knows exactly how many of the balls are white and how many are yellow. Your best guess is that 70% of the balls are yellow. Based on this best guess, what is the value of a contract that equals \$10 if a randomly drawn ball is yellow and \$0 if white?

Question 3 options:

\$7

\$0.7

\$0.3

\$3

Save

Question 4 (1 point)



There are yellow and white balls, and no one knows exactly how many of the balls are white and how many are yellow. Your best guess is that 25% of the balls are yellow. Based on this best guess, what is the value of a contract that equals \$10 if a randomly drawn ball is yellow and \$0 if white?

Question 4 options:

\$0.25

\$2.5

\$0.75

\$7.5

Save

Question 5 (1 point)



There are yellow and white balls in a container, and no one knows exactly how many of the balls are white and how many are yellow. Your best guess is that 25% of the balls are yellow.

There is a contract that equals \$10 if a randomly drawn ball is yellow and \$0 if white.

Someone offers to sell you the contract for \$6. You should buy it: true or false?

Question 5 options:

True

False

Save

Question 6 (1 point)



There are yellow and white balls in a container, and no one knows exactly how many of the balls are white and how many are yellow. Your best guess is that 25% of the balls are yellow.

There is a contract that equals \$10 if a randomly drawn ball is yellow and \$0 if white.

Someone offers to buy the contract from you for \$6. You should sell it to them for \$6: true or false?

Question 6 options:

True

False

Save

Question 7 (1 point)



OSU men's basketball plays tonight, and you think they have a 80% chance of winning. You can trade contracts that are worth \$10 if OSU wins and \$0 if OSU loses.

If you submit a sell price (a price at which you are willing to sell a contract to another person) you want submit a sell price that is less than \$8.

Question 7 options:

True

False

Save

Question 8 (1 point)



OSU men's basketball plays tonight, and you think they have a 80% chance of winning. You can trade contracts that are worth \$10 if OSU wins and \$0 if OSU loses.

If you submit a buy price (a price at which you are willing to buy a contract from another person) you want submit a buy price that is less than \$8.

Question 8 options:

True

False

Save

Question 9 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 if OSU wins and \$0 if OSU loses.

If someone submits a sell price of \$4, that means they believe OSU has less than a 40% chance of winning.

Question 9 options:

True

False

Save

Question 10 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

If someone submits a buy price of \$4, that means they believe OSU has less than a 40% chance of winning.

Question 10 options:

True

False

Save

Question 11 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You submit a sell price of \$5 and a buy price of \$7. What does this say about your predicted probability of OSU winning?

Question 11 options:

The probability of OSU winning is greater than 70%.

The probability of OSU winning is less than 50%

Nothing. This combination of buy and sell prices is illogical.

The probability of OSU winning is between 50% and 70%.

Save

Question 12 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You submit a buy price of \$4 and a sell price of \$8. What does this say about your predicted probability of OSU winning?

Question 12 options:

The probability of OSU winning is between 40% and 80%.

The probability of OSU winning is greater than 80%.

Nothing. This combination of buy and sell prices is illogical.

The probability of OSU winning is less than 40%

Save

Question 13 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You sold a contract for \$4 and OSU lost. What are your profits?

Question 13 options:

(\$4) or a \$4 loss

\$4

\$6

(\$6) or a \$6 loss

Save

Question 14 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You sold a contract for \$4 and OSU wins. What are your profits?

Question 14 options:

(\$4) or a \$4 loss

\$6

(\$6) or a \$6 loss

\$4

Save

Question 15 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You buy a contract for \$4 and OSU loses. What are your profits?

Question 15 options:

(\$6) or a \$6 loss

\$4

\$6

(\$4) or a \$4 loss

Save

Question 16 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You buy a contract for \$4 and OSU wins. What are your profits?

Question 16 options:

(\$6) or a \$6 loss

\$4

\$6

(\$4) or a \$4 loss

Save

Question 17 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 if OSU wins and \$0 if OSU loses.

You buy a contract for \$4, sell another contract for \$6, and OSU wins. What are your profits?

Question 17 options:

\$6

(\$2) or a \$2 loss

(\$6) or a \$6 loss

(\$4) or a \$4 loss

\$2

\$4

Save

Question 18 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 if OSU wins and \$0 if OSU loses.

You buy a contract for \$4, sell another contract for \$6, and OSU loses. What are your profits?

Question 18 options:

\$4

(\$2) or a \$2 loss

\$2

\$6

(\$6) or a \$6 loss

(\$4) or a \$4 loss

Save

Question 19 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You sell a contract for \$5, buy another contract for \$6, and OSU loses. What are your profits?

Question 19 options:

(\$4) or a \$4 loss

\$4

(\$6) or a \$6 loss

\$1

\$6

(\$1) or a \$1 loss

Save

Question 20 (1 point)



OSU men's basketball plays tonight. You can trade contracts that are worth \$10 of OSU wins and \$0 if OSU loses.

You sell a contract for \$5, buy another contract for \$6, and OSU wins. What are your profits?

Question 20 options:

(\$6) or a \$6 loss

\$4

\$1

(\$4) or a \$4 loss

\$6

(\$1) or a \$1 loss