FIRST NEGOTIATION QUIZ

(This Quiz will not be graded. Please write some identifying mark in the space provided – not your name – so that you will know which form to retrieve when they are returned. When you hand in the quiz sheet, please sign the class list so I will know you have completed the quiz.)

_____ Your identifying mark (such as a number or other indication that will enable you to identify which is your Quiz when it is returned to you.)

1. Successful negotiation requires you to (check any that apply)

   ___ a. Be tough by making only large demands (or small offers) and delaying any concessions until late in the bargaining.
   ___ b. Make concessions for the sake of preserving a good relationship.
   ___ c. Intimidate your opponent and make them fearful of you and what you will do.
   ___ d. All of the above.
   ___ e. None of the above.

2. In a negotiation, it’s important to insist on your position:

   ___ a. yes
   ___ b. no

3. Effective negotiators tend to be seen by their negotiating counterparts as (check any that apply):

   ___ a. stubborn
   ___ b. assertive
   ___ c. personable
   ___ d. rational
   ___ e. trustworthy
   ___ f. tough
4. A Game of X and Y

(I apologize in advance for the detail. Bear with it. It relates to how to act strategically in an effective manner.)

Let’s say that if you and a counterpart can each take either Action C or Action D.

If you **both** take **Action C**, you will each make $100.

If **you** take **Action C**, but your **counterpart** takes **Action D** instead, then **you** will get **nothing**, and your **counterpart** will make **$200**! So you’ve lost the $100 you could otherwise have if you both took Action C.

But you have an opportunity to score big yourself! If your **counterpart** takes **Action C**, hoping for the payout of $100 each, but **you** take **Action D** instead, then you will collect the entire $200!

So wouldn’t it be a good idea to take **Action D**? It depends on what your counterpart does. Certainly if they take **Action C** you’ve seized the big reward. But if they **also** take **Action D**, then you will each **only** get **$20**. You haven’t gotten your $200, and you haven’t even gotten the $100 you could get if you both were to take Action X, instead.

If your counterpart is thinking the same way as you, won’t they also want take **Action D**, hoping that you will take Action C and they will collect the $200 and you will collect nothing. But if you both take **Action D**, each angling for the $200 payoff for yourselves, each of you will only get $20.

Here’s the payout in table form:

<table>
<thead>
<tr>
<th></th>
<th>Counterpart chooses C</th>
<th>Counterpart chooses D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>You choose C</strong></td>
<td>You: $100; They: $100</td>
<td>You: $0; They: $200</td>
</tr>
<tr>
<td><strong>You choose D</strong></td>
<td>You: $200; They: $0</td>
<td>You: $20; They: $20</td>
</tr>
</tbody>
</table>

You might say that **Action C** is to Cooperate, and **Action D** is to Defect.
Imagine that you will play this game several times in succession, but you can't talk to your counterpart or otherwise communicate about whether you will take Action C or D the next time you act.

For your first move, will you take Action C or Action D? Remember,

i. If you take Action C and your counterpart does too, you will each collect $100.

ii. But if you take Action C and your counterpart takes Action D, instead, you get nothing.

iii. If you take Action D and your counterpart takes Action C, you collect $200!!!

iv. If you take Action D and your counterpart also takes Action D, you collect only $20.

What will you do?

a. Your first move (check one):
   ___ Action C
   ___ Action D

b. After you've made the first move and seen the payouts, it's now time for the second move. What will it be? (Check one):
   ___ Action C
   ___ Action D
   ___ Can't choose yet – it depends on the first move. Explain:

5. The Negotiator’s Dilemma refers to the choice negotiators face between, on the one hand, bargaining hard and, on the other, making concessions for the sake of preserving a good relationship.

   ___ a. true
   ___ b. false
6. A negotiator’s Reservation Value means terms of agreement that are equivalent to – no better for the negotiator and no worse – than what the negotiator could achieve by choosing the alternative to agreement.

(For example, if the dispute involves a lawsuit, the no-agreement alternative would be to continue the litigation and bear the costs of continued litigation and ultimate outcome. If the matter involves a transactional negotiation, the no-agreement alternative would be continuing your current actions without any agreement, or making a substitute agreement with a third party.)

___ a. true
___ b. false

7. Speaking persuasively, by speaking forcefully, is more important for effective negotiation than is listening.

___ a. true
___ b. false

8. People tend to be realistic, or maybe even a little too pessimistic, when they think about how well they will perform in the future and what success they will have.

___ a. true
___ b. false

9. When someone is presented with a choice between A and B, they might see A as an opportunity to make a gain as compared with B. Or instead they might wish to choose A in order to avoid a loss that they would incur if they were to choose B instead of A. Let’s assume that in either situation A has the same objective value, whether one sees it as obtaining a gain or sees it as a way to avoid a loss. Since A has the same objective value, will the chooser be equally likely to choose A in either situation, whether it seems like a gain or seems like a way to avoid a loss? Check the best answer:

___ a. equally likely to choose A over B, whether A is seen as gain or as a way to avoid a loss.
___ b. more likely to choose A over B when A is seen as a way to capture a gain than when it is seen as a way to avoid a loss.
___ c. more likely to choose A over B when A is seen as a way to avoid a loss than when it is seen as a way to capture a gain.