

ADR
Spring 2015
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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 will 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:

	Counterpart chooses C	Counterpart chooses D
You choose C	You: \$100; They: \$100	You: \$0; They \$200
You choose D	You: \$200; They \$0	You: \$20; They: \$20

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.