**Oil Price Game Instructions**

1. The class will be divided into pairs of teams. Each pair of teams plays an independent game. One team will represent Alba, the other Batia.

2. You will be allowed time to review the case and to caucus with your team in order to decide on a team strategy.

3. **YOUR TEAM SHOULD NOT COMMUNICATE WITH ANY COUNTERPART OF YOUR OPPOSING TEAM EXCEPT WHEN AND IN THE MANNER INSTRUCTED.**

4. There will be **8 rounds of decision-making**. A choice of price is to be made at each round.

5. Profit will be cumulative throughout the game.

6. There is a **time limit of 3 minutes for bids**. Within the three minutes, your team must reach a confidential pricing decision for the month, write its price on a piece of paper, hand it to an instructor and record it in your team records.

7. If one team fails to hand in a bid within the time limit, their bid will remain the same as the previous round. If a team fails to bid in the first round, their bid will be automatically set at 20.

8. In each round, teams set prices simultaneously; you do not discover the other team’s bid until after your own bid has been set. You must negotiate round by round. You cannot agree on a settlement “now” for all future rounds.

**QUESTIONS TO THINK ABOUT**

**Goals/Strategies**  
What is your team’s goal? What is your strategy?  
What strategy do you think the opposing team will adopt?

**Communication**  
What message do you think you sent to the other team, when for example you bid 20?  
What message did you think you get when you receive a bid of 20?

**Group Decision Making**  
Do you believe that all members of your team agree on every choice?  
If they do not, how will you accommodate dissent?  
What rule or guidelines would you recommend for facilitating wise and efficient group decision making?

**Trust**  
What role does trust play in this negotiation?  
If it is absent, can you do as well as if it is present?
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