

John W. Dickhaut

Endowed Chair, Economics and Accounting
Chapman University

BA, 1964, English, Duke University
MA, 1966, Accounting, Ohio State University
Ph.D., 1970, Accounting, Ohio State University

John Dickhaut's research focuses on asking fundamental economic questions in the laboratory. Using experiments, he has broken ground in the areas of the role of information in economies, the laboratory study of preferences, trust, and neuroeconomics. Fundamental questions that Dickhaut continues to address are the impact of information processing considerations on the design of societal institutions, the ability to induce and infer preferences, the endogeneity of record keeping, verifiability, and formalized accounting in societies in which trust plays a dominant role, the efficiency of prices of risky assets, the nature of the choice process in the human neural system.

Research Specialties:

- Behavioral responses to information systems (including accounting systems)
- The role of heuristics in economic decision making
- The examination of risk sharing in asymmetric information and pure exchange environments
- Preference reversals with arbitrage
- The economic rationale for sunk costs
- The economic motivation of individuals in experiments
- The role of information in strategic games
- The role of information in coordinating economic choice through time
- The impact of trust in exchange
- The role of information (especially accounting) in evolutionary environments
- Preference reversals with preference induction
- The neural economics of economic choice
- Information transparency and economic performance.

John Wilson Dickhaut, Jr.

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Professional Experience:

2008- Endowed Chair, Economics and Accounting, Chapman University
1996 –2008 Curtis L. Carlson Land Grant Chair in Accounting
1996 – 2001 Chairman, Department of Accounting, University of Minnesota
1989 – 1996 Honeywell Professor of Accounting
1984 – 1989 Professor Carlson School of Management, University of Minnesota
1985 – 1986 Visiting Professor, Washington University, St. Louis, Missouri
1976 – 1984 Associate Professor, Graduate School of Business, University of Minnesota
1971 – 1976 Assistant Professor, Graduate School of Business, The University of Chicago

Current Research:

In Review Process:

“A Neuronal Mechanism of Choice,” revise and resubmit Public Library of Science, with Ovidiu Lungu, Vernon Smith, Baohua Xin and Aldo Rustichini.

“Emergent Recordkeeping Changes the Course of History,” revise and resubmit *Proceedings of National Academy of Science*. With Sudipta Basu, Gary Hecht, Kristy Towry and Greg Waymire.

“Decision Making and Trade Without Probabilities” Radhika Lunawat, Kira Pronin and Jack Stecher.

“Preference Reversals: The impact of truth-revealing incentives,” revised and resubmit *Games and Economic Behavior*, with Joyce Berg and Tom Rietz.

“Generating Ambiguity in the Laboratory,” with Jack Stecher to be submitted to *Experimental Economics*.

“A Model of a Pricing Dynamic,” with Baohua Xin, revise and resubmit, *Accounting Review*.

Working Papers:

“NeuroAccounting, Part I,” with Sudipta Basu, Kevin McCabe and Gregory Waymire.

“NeuroAccounting, Part II,” with Sudipta Basu, Kevin McCabe and Gregory Waymire.

“Information Transparency and Coordination Failure: Efficiency, security and risk dominance,” with Regina Anctil, Kate Johnson and Chandra Kanodia.

Related Publications:

“Escalation Errors and the Sunk Cost Effect: Experimental evidence,” with J. Berg and C. Kanodia, *Journal of Economic Behavior and Organizations*, forthcoming.

“Neuroeconomics: *The New Palgrave*,” forthcoming.

“Risk Preference Instability Across Institutions: A dilemma,” *Proceedings of National Academy of Science*, 2005.

“Economics and Emotions: Institutions matter,” *Games and Economic Behavior*, 2005.

“A Brain Imaging Study of the Choice Procedure,” *Games and Economic Behavior*, 2005.

“Information Transparency and Coordination Failure: Theory and experiment,” *Journal of Accounting Research*, 2003.

“Preference Reversals and Induced Risk Preferences: Evidence for noisy maximization,” *Journal of Risk and Uncertainty*, 2003.

“On the Performance of the Lottery Procedure for Controlling Risk Preferences,” with Joyce Berg, and Tom Rietz, *Handbook of Experimental Economics Results*, 2003.

“Information Management and Valuation: An experimental investigation,” by John Dickhaut, Margaret Ledyard, the late Arijit Mukherji, and Haresh Sapra, *Games and Economic Behavior*, 2003.

“The Impact of the Certainty Context on the Process of Choice,” *Proceedings of the National Academy of Sciences*, 2003.

“Inducing Risk Preferences,” with Vesna Prasnikar, *Encyclopedia of Cognitive Sciences*, November, 2002.

“Neuronal Substrates for Choice Under Ambiguity, Risk, Gains, & Losses.” Management Science. Smith, K., Dickhaut, J., Pardo, J. & McCabe, K., June 2002.

“Trust and the Investment Game,” with Rustichini, *Encyclopedia of Cognitive Science*, 2002.

“Physiological Anticipation and Endowment Effects: Inferred Brain Function in the Formation of Allocations in an English Auction,” with Kip Smith, Nicole Peck, Kevin McCabe, and Vijay Rajan, *Experimental Business Research*, Kluwer Academic Publishers, 2002.

“The Behavioral Theory of Price Formation in the Double Auction,” with Steve Gjerstad, *Games and Economic Behavior*, 1998.

“Trust, Reciprocity and Social Norms,” with Joyce Berg and Kevin McCabe. *Games and Economic Behavior*, 10, 1995. (Reprinted in “Critical Studies in Economic Institutions – Series, Editor: Geoffrey M. Hodgson, 2002, forthcoming).

“The Behavioral Foundations of Stewardship Accounting and a Proposed Program of Research: What Is Accountability?” with K. McCabe, *Behavioral Research in Accounting*, 1997.

“An Experimental Study of Strategic Information Transmission,” K. McCabe and A. Mukherji, *Economic Theory*, 1995.

“The Individual vs. The Aggregate,” A Chapter in Judgment and Decision Making Research in Accounting and Auditing, Robert Ashton and Allison Ashton eds. 1994.

“The Price/Quantity Sealed Bid/Offer Auction with Pro-rata Rationing: Experimental Evidence,” with A. Martin, D. Senkow, and G. Sevcik, *Economic Journal*, 1993.

"Moral Hazard and Risk Sharing: Experimental evidence," with Joyce Berg, Lane Daley and John O'Brien, *Research in Experimental Economics*, Volume 4.

“A Program for Finding Nash Equilibria,” with T. Kaplan, *Economic and Financial Modeling with Mathematica*, Varian, Hal R., ed., 1993.

"Experimental Methods in Accounting: A Discussion of Frequently Asked Questions," with Joyce Berg and Don Coursey, *Contemporary Accounting Research*, 1990.

“Escalation Errors and the Sunk Cost Effect: An explanation based on reputation and information asymmetries,” with C. Kanodia and R. Bushman, *Journal of Accounting Research*, 1989.

“Controlling Preferences for Lotteries on Units of Experimental Exchange,” with Joyce Berg, Lane Daley, and John O'Brien, *Quarterly Journal of Economics*, May, 1986.

“Preference Reversals and Arbitrage,” with John O'Brien and Joyce Berg, *Research in Experimental Economics*, Vol. 3, 1985.

“Comparison of Accounting Systems and Heuristics in Selecting Economic Optima,” with J. Lere, *Journal of Accounting Research*, 1983.

“An Examination of the Conservative Information Processing Bias in an Accounting Framework,” with C. Eger, *Journal of Accounting Research*, 1982.

"Synopsis of Behavioral Experiments in Accounting," *Behavioral Experiments in Accounting II*, Fall 1979.

“Effects of Compensation Plans on Heuristics in Cost Variance Investigations,” with R. Magee, *Journal of Accounting Research*, 1978.

“Discussion of Experiments in the Heuristics of Human Information Processing,” *Journal of Accounting Research*, 1976.

“An Examination of the Processes Underlying Comparative Judgments of Numerical Stimuli,” with I. Eggleton, *Journal of Accounting Research*, 1975.

Critique of "Experiments in Information Processing," yearly supplement of *Journal of Accounting Research*, 1976.

“Alternate Information Structures and Probability Revisions,” winner of The American Accounting Association 1971-72 Manuscript Contest, *The Accounting Review*, January 1973.

“On the Use of Surrogates in Behavioral Experimentation,” with John Leslie Livingstone and David J.H. Watson, *The Accounting Review*, Committee Reports, Supplement to Vol. XLVII, 1972, pp. 455-471. Also included as part of the *University of Kansas School Symposium on Research Methodology in Accounting*, University of Kansas, 1972.

“Using Selected Human Performance Variables to Examine Behavior with Accounting Information Systems,” with Joshua Ronen in *Behavioral Experiments in Accounting*, Thomas J. Burns, Ed. Columbus, Ohio: The Ohio State University College of Administrative Science, 1972, pp. 139-172.

Analysis of: “The Effect of Inventory Costing Methods on Full and Direct Costing,” (by Ijiri, Jaedicke, and Livingstone), in *Management Planning and Control: Mathematical Models*, John Leslie Livingstone, Ed. New York: McGraw-Hill Book Company, 1970, pp. 35-44.

Analysis of: “A New Dimension in Breakeven Analysis,” (by Manes), in *Management Planning and Control: Mathematical Models* with John Leslie Livingstone, Ed. New York: McGraw-Hill Book Company, 1970 pp. 313-324.

“Accounting Information and Decision Making,” *Management Services*, January-February, 1969, pp. 49-55. Reprinted in *Solving Today's Management Problems, A Selection of Outstanding Articles from Management Adviser*, March 1971, pp. 21-27, and in the Ohio University College of Administrative Science Division of Research Reprint Series, 1970.

Conferences and Workshops:

I have made presentations before national meetings of the:

- American Accounting Association (13),
- AAA Consortium (3),
- Institute of Management Sciences and American Institute of Decisions Sciences (3),
- Economic Science Association (20),
- Public Choice Society Meetings (3).
- Society of Neurosciences (2)
- Society of Neuroeconomics (3)

I have made presentations before local meetings of the:

- National Association of Accountants
- Empirical Research Conference in Accounting
- American Hospital Association
- American Economic Association Meetings

I have presented my research before workshops at:

- George Mason University (2)
- Cornell (4)
- University of Iowa (9)
- Michigan State University
- Stanford University (3)
- University of Chicago (5)
- University of Minnesota (numerous including Marketing, Finance, IDS, Accounting)
- Fairview Medical Center
- Cognitive Neuroimaging Unit at the Veterans Administration Hospital)
- Ohio State University (5)
- Oklahoma University
- University of Illinois
- Rochester University
- Kansas University
- University of Washington
- University of British Columbia
- University of Michigan
- Pennsylvania (Wharton School)
- Washington University of St. Louis
- University of Alabama
- University of Arizona, Accounting
- University of Arizona, Economics
- Baruch College
- California Institute of Technology
- University of California, Santa Barbara
- Northwestern University(2)
- Purdue University (2)
- University of Wisconsin (2)
- University of California, Berkeley
- Carnegie Mellon University, Accounting
- Carnegie Mellon University, Economics (2)
- University of Oklahoma
- University of Florida
- Harvard University, Accounting
- Harvard University, Economics
- Florida State University

- University of Texas
- University of California, Irvine-Behavioral Decision Theory

Service to the University of Minnesota:

Member of the Long Range Planning Committee, 1978
 Member of Departmental Chairmanship Search Committee, Summer 1980, 1984–1985
 Chairman of College Research Committee, 1980–1982
 Member of Departmental Recruiting Committee, 1980–81, 1984–1985
 Member of Departmental Curriculum Committee, 1980–1981
 MBA Core Committee, 1980–1982
 Member of Doctoral Advisory Committee, 1981–1982, 1983–1984
 Member of Faculty Appointments and Promotion Committee, 1984–1985
 Chairman of Recruiting Committee, 1985–1986
 Ph.D. Director of Accounting, 1987-1988
 Member of College Doctoral Committee, 1987–1988
 Member of Doctoral Funding Committee, 1987–1988
 Member of College Research Committee, 1987–1988
 University Senate, 1988
 Workshop Coordinator, 1987–1988, 1989–1990, 2002

Reviewing for journals and NSF:

- Editorial Board, Journal of Accounting Research, Accounting Review
- Ad Hoc Reviewer, Journal of Accounting & Economics, Research in Experimental Economics, Management Science, Economic Journal, American Economic Review
- Ad Hoc Associate Editor: Accounting Review
- Ad Hoc Associate Editor: Journal of Accounting Research
- Member of AAA Research Committee, 1988-1989
- Member of 1989 Consortium Planning Committee
- NSF (10)
- Previous Editor Review of Accounting Studies
- Ad Hoc Reviewer AER, 2004
- Ad Hoc Reviewer GEB, 2004
- Editorial Board Member, *Experimental Economics*

I am proud to have taught and learned from several outstanding students. I participated in the joint production of papers with Carol Eger, John O'Brien, Joyce Berg, and Bob Bushman, Todd Kaplan, Steve Gjerstad, Haresh Sapra and Megen Ledyard. I believe the interaction in producing these papers is one of the factors influencing their competence as research scholars and their initial placements. I currently work extensively with Jack Stretcher, Zoning Li, and Tim Shields, Oahu Xing and Radical Lunawat.