

# Personal Traits and Trading in an Experimental Asset Market\*

Tomáš Miklánek<sup>†</sup>

Miroslav Zajíček<sup>‡</sup>

## Abstract

We study the relationship between personal traits and trading outcomes in continuous double auction asset markets. There are mixed theoretical predictions about this relationship followed by similarly mixed empirical evidence. We examine the correlation of cognitive skills, willingness to speculate, risk attitude, willingness to compete, and overconfidence with trading activity in a very simple experimental market with one asset and no uncertainty about the fundamental value. We build on a market setting very close to the canonical one of Smith, Suchanek and Williams (1988) with a constant fundamental value. We conclude that willingness to speculate is the main driver of trading activity. Willingness to speculate and cognitive skills are the only significant predictors for achieved profits from trading. Our experimental results could provide a benchmark for trading activity outcomes in more complicated, real world asset market environments.

Keywords: experimental economics, asset market, trading activity, personal traits

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<sup>†</sup>University of Economics, Prague, W. Churchill Sq. 4, 130 67 Prague 3, Czech Republic. Email: tomas.miklanek@vse.cz

<sup>‡</sup>Mendel University in Brno, Zemedelska 1, 613 00 Brno, Czech Republic. Email: zajicek100@gmail.com