

Anonymous - Referee report 2

December 10, 2019 - 13:26

This is a very nice review of beauty contest games and their application to New Keynesian models, but two leading experts in the field.

I only have one very minor point. Figure 4, referring to the Heemeijer et al. (2009) experiments has no description/reference in the text, or at ...[more]

... least, I could not find one. So that should be added somewhere.

Anonymous - Referee report 3

January 03, 2020 - 10:23

The paper is a nice review of k-level thinking and its applications to macroeconomics. It reviews all relevant advances in the experimental literature since the seminal work of Nagel (1995) and discusses recent application to macroeconomics. In the remainder I have a few smaller comments:

(1) For macroeconomists, given ...[more]

... the recent advances with k-level thinking, the description of out-of-equilibrium behavior in the introduction may be misunderstood (one could claim that in a repeated interaction environment level k is at least a temporary equilibrium if not an equilibrium). What I'm asking for is just to define an environment in which this is an out of equilibrium behavior, so there is no confusion.

(2) Perhaps you can briefly review also Angeletos and Huo (2019) paper (Myopia and Anchoring) in Section 5.

(3) Perhaps you could omit some repetitions. For example, first paragraph of section 4.2.3 is a repetition of what was explained in the second paragraph on page 10.

(4) a few small typos:

- page 3: punctuation after the footnote call should be moved to the footnote (where parentheses have to be adjusted as well)
- page 13, third paragraph: replace "there" with "their."
- page 17: last sentence of paragraph3 is missing something, perhaps "be."
- page 18: spacing before call for footnote 5.