

Dear Dr. Rima-Maria Rahal,

I have read the revised stage 1 report as well as the response letter. Overall, I think that the authors addressed my comments sufficiently. I only have a few remaining minor issues. Please see below my detailed comments.

Review report

The Effect of Individual and Group Punishment on Individual and Group-Based Dishonesty is a stage 1 RR proposing to investigate the effect of punishment (structure) and payoff structure on dishonest behavior.

I thank the authors for their engagement with my comments and their work revising the manuscript. However, I do have a few minor comments on the revised manuscript. Below please find my specific comments.

Comments

1. Page 3, end of the first paragraph, should be “*highly* context dependent”
2. Page 21 and 22, the description of H4 and H5 seem to be the same. If my understanding of the design Table is correct, H4 is focusing on the main effect while H5 is focusing on the no-interaction effect. Perhaps these points can be made even clearer for the readers.
3. The authors explained that for H1, the power analysis is done for a subsample. However, the main text still reads “In addition, we simulated a mode accounting for our smallest effect size of interest when testing main effects in H1 and observed between 86% and 90% power at around 600 participants”. This can also be made clearer that 600 is referring to the *N* total and not the subsample sample for the analysis of H1.
4. Page 27, “For instance, if participant A reports a company income of 1000, participant B a company income of 500, and participant C a company income of 750, then 750 will be selected as the group-based reported company income. Each group member will therefore receive an individual bonus payoff of £1 ($812.5 = 1000 - 25\% \times 750$). Bonus payments per round”
It will be clearer to say “a mean of 750 will be” or something similar.
The second highlighted part seems to be incomplete.
5. Regarding the analyses of moral emotions and stress, I disagree with the authors regarding the second analysis: emotions -> compliance/ dishonesty. Since the items are asking emotions given one’s own or peers’ behavior, I believe that the direction should be compliance/ dishonesty -> emotions. Even though, as the authors stated, the current dataset cannot assess causation, I believe that the direction of the regression model, which implies a causal direction, still matters.
6. Design Table, manipulation check, it should be clearer that we are referring to the rejection of the null hypothesis.

I hope that these comments are helpful.

Yikang Zhang