

## عنوان مقاله:

Developing the Stock Pricing Model based on Bounded Rationality Theory

## محل انتشار:

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## خلاصه مقاله:

The occurrence of unexpected phenomena in recent decades in financial markets around the world, led to the development of theories, beyond the defined principles and criteria of classic finance. These theories are based on financial psychology and they are explaining the role of psychology in financial sciences as an influential factor and became irreplaceable in financial markets and investor decisions. One of the important theories in this field is the bounded-rationality-theory, which can explain the behavior of decision-makers about financial and economical issues based on defined theoretical frameworks and assumptions. This study developed the stock pricing model by comparing the predicted stock price based on the bounded-rationality-theory and the real stock price through collecting the data of ۱۲۲ companies listed on the Tehran Stock Exchange during the period ۲۰۱۱ to ۲۰۱۹. The results of this study show the effectiveness of the bounded-rationality-theory based on the separation of stock return components and measuring the irrationality coefficient and emotional reactions of investors' decisions in stock prices. Accordingly, the limitations of investors' ability to process information seem to affect the level of use of reasoning and rationality in decision-making and the effect of bounded-rationality through the irrationality and limited attention on stock pricing. Therefore, it is expected that knowledge about the process of bounded-rationality based on the rational-bounded of investors and the behavioral biases resulting from the irrational part of their thinking, will provide a good explanation for the process of changes in financial markets. This can provide both profit opportunities and costs in investment management so that it can be used in modeling, analysis and investment strategies.

## کلمات کلیدی:

bounded rationality, Behavioral Finance, Stock Pricing Model, Investors' Sentiment

## لینک ثابت مقاله در پایگاه سیویلیکا:

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