

PROPOSITIONS

- 1) When I state that, with regard to pluralism in method, “anything goes”, I mean that I see no reason why certain methods or ideas should be excluded a priori before a serious confrontation with reality has been conducted.
- 2) Distinguishing between methodological assumptions and substantive assumptions, as proposed by John Davis, may also provide us with a tool to distinguish between truly important deep running differences of opinion and quarreling and arguing just for the sake of it.
- 3) Finance, just as all of economics, is a social science. Let’s never forget that.
- 4) If you’re so smart, why ain’t you rich, Deirdre McCloskey asks us. How Austrian economists conceive of the market process provides an answer: it’s not just smarts that explains why some people get rich but also opportunism, discovery, learning and last but not least chance.
- 5) For society a well-functioning market process is more important than efficient market outcomes.
- 6) My take on Friedman 1953: meaningful predictions are not to be equated with accurate forecasts.
- 7) Fisher Black (1986) believed almost all markets to be efficient almost all of the time, ‘almost all’ meaning at least 90%. In my opinion that would appear to be reconcilable with Robert Shillers’s findings on excess volatility, from which some conclude that such markets are not efficient.
- 8) Given Black’s 90%: is it a coincidence that the effectivity of admitted Covid-19 vaccines is advertised as at least 90% effective? That would imply 90% is not too bad!
- 9) Lottery tickets can be regarded as financial products, as investments. However, it is an investment product with a negative expected return. I have always wondered why such products are offered without disclaimers, even by Government organizations.
- 10) There is a positive causal connection between the time one needs to finish a PhD and the number of people to thank and acknowledge.
- 11) When people ask me why it took so long to finish my PhD, I quote the wizard Gandalf in Tolkien’s The Lord of the Rings: “All we have to decide is what to do with the time given to us.”