Propositions

Attached to the thesis

New Insights into Behavioral Finance

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4 December 2008

I.

Preferences over investment alternatives are not adequately captured by existing behavioral models, and by prospect theory in particular.

(Chapter 2)

II.

Even when people are winning significant amounts of money they can have the feeling they are losing money, and also act to that feeling by taking more risk than they normally would.

(Chapter 3)

III.

People infer the value they attach to money not just based on their absolute (intrinsic) worth, but also, and especially, by comparing it to other amounts that are or were available.

(Chapter 4)

IV.

Individual investors irrationally buy and sell assets by focusing on the marginal distribution of assets, while ignoring the diversification benefits.

(Chapter 5)

V.

Growth stocks are attractive for investors who want to hedge fixed income risks.

(Chapter 6)

VI.

Behavioral finance is a pleonasm; finance is behavioral.

VII.

In general, people are insufficiently skilled to construct optimal investment portfolios.

VIII.

Socialists in the Dutch government are irrational. They want higher taxes on incomes which they earn themselves.

IX.

The obtainment of a university degree already indicates a substantial increase in one's knowledge and skills, as compared to a high school degree. However, the obtainment of a PhD degree indicates an enormous increase in one's knowledge and skills, as compared to a university degree.

X.

Propositions prevent PhD students from watching too many cartoons during the last weeks of their PhD trajectory.

XI.

Man go mad in herds, but gain their rationality one by one.