



Journal of Behavioral Finance >

Volume 13, 2012 - [Issue 1](#)

3,502 44

Views | CrossRef citations to date | Altmetric

0

ARTICLES

Investor Rationality and Financial Decisions

Gil Cohen & Andrey Kudryavtsev

Pages 11-16 | Published online: 14 Mar 2012

🗨 Cite this article 🔗 <https://doi.org/10.1080/15427560.2012.653020>

Sample our
Behavioral Sciences
Journals



>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

📄 Full Article

🖼 Figures & data

📖 References

🗨 Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

Abstract

This study used questionnaires completed by MBA finance students to test the degree of investors' rationality when the latter construct a portfolio or make loan decisions. We found that with respect to stock decisions, irrationality cannot be established. Investment in stocks was found to be influenced by expectations, past experience in the capital market, and knowledge about the past performance of selected market indices. With respect to corporate bonds, we found that, as expected, expectations about interest rate changes influenced the decision to invest in those bonds, as did past experience in the capital markets. The decision to invest in government bonds was the decision least likely to be based on rationality. With respect to loans, we found an expected negative relationship between the willingness to take out loans based on the prime interest rate and expectations about changes in interest rates.

Keywords:

Rationality

Survey

Behavioral

Notes

1. The Bank of Israel's prime interest rate at the time the research was conducted was 1.5%.

Related research

People also read

Recommended articles

Cited by
44

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group
an informa business

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG