

# Behavioral finance-An emerging theory: A review study

## Authors

Arfat Manzoor, Andleebah Jan, Mohammad Shafi

## Publication date

2023/3/1

## Source

Indian Journal of Research in Capital Markets

## Volume

10

## Issue

1

## Pages

34-43

## Description

**Purpose:** This paper debated market efficiency and asset pricing through an extensive review of literature in favor as well as against the well-known efficient market hypothesis (EMH). The purpose of this paper is to provide a comprehensive literature review of behavioral finance to label it as an alternate theory of asset pricing.

**Methodology/Design/Approach:** In this paper, the literature review is divided into three parts. Part-1 provides a review of EHM, its dominance, and downfall. Part-2 discusses the rise of behavioral finance as an alternate theory, and part-3 discusses the influencing factors of investment behavior. Three criteria were set for the selection of the articles. First, only relevant and most articles published from 2000–2022 were selected, and second, the most important articles published before 2000 were also included. Third, only those articles were selected that were published in the English language ...