Out of Stock. The Inefficient Stock Market (2nd edition). Find similar editions. Find similar editions. Find similar editions. Done loading. Some editions change by only 10%. Popular textbooks. The book tackles important issues in today's financial market in a highly conversational and entertaining manner that will appeal to most readers. Chapter topics include: estimating expected return with the theories of modern finance, estimating portfolio risk and expected return with ad hoc factor models, payoffs to the five families, predicting future stock returns with the expected-return factor model, super stocks and stupid stocks, the international results, the topography of the stock market, the positive payoffs to cheapness and profitability, the negative payoff to. The 30% of stocks with highest book-to-price and the lowest. 29 Sensitivities (Betas) to Market Returns 10 Decile 1234567890.95 1 1.05 1.1 1.15 1.2 1.25 Market Beta. 30 Sensitivities (Betas) to Relative Performance of Small and Large Stocks 2345678910 Decile 0 0.1 0.2 0.3 0.4 0.5 1 Size Beta. 50 Mean Payoffs and Confidence Probabilities for the Twelve Most Important Factors of the World (1985-93) One-month stock return Book to price Twelve-month stock return Cash flow to price Earnings to price Sales to price Three-month stock return Debt to equity Variance of total return Residual variance Five-year stock return Return on equity United States Mean Confidence Level. Sparked with wit and humor, this clever and insightful book provides clear evidence that the stock market is inefficient. In the author's view, models based on rational economic behavior cannot explain important aspects of market behavior. The book tackles important issues in today's financial market in a highly conversational and entertaining manner that will appeal to most readers.