

The investor life cycle of zipcar, facebook, and dunkin doughnuts

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ZipCar, Facebook, and Dunkin Doughnuts are all considering going public or have done so recently (i. e. having an Initial Public Offering). Discuss in which stages of the Investor Life Cycle each of these stocks would be most appropriate and why. List 1 reference for each from the financial press (e. g.: The Financial Times, Businessweek, The Economist, The Wall Street Journal, etc.) or a finance website (marketwatch. com, themotleyfool. com, yahoofinance. com, googlefinance. com, cnbc. com, etc.).

The desire to invest or actual investment in company stocks is informed by one's investment goal, which include the type of an investor one is, and the specification of portfolio that fits the individual. Zipcar, Facebook and Dunkin Doughnuts are companies operating within different industries, and therefore attract different investors in varying stages of the Investor Life Cycle. The four stage investor life cycle include the following: accumulation, consolidation, spending and gifting. According to Hartung (2014), the growth of social networking giant on the back of increasing demand for social media would make the company's stock idea for the individual who intends to accumulate.

The basic notion behind this stage in the investor life cycle is that investors seek to aggressive growth for the future hence this is a fit beyond doubt. On the other hand, Krantz (2014) opines that Dunkin Doughnuts is a stable prospect for the future. Therefore its stocks fit perfectly within the second stage, as that stage typically asserts that an investor would be inclined to who perceive retirement planning as more vital, and hence, these stocks would fit perfectly into their bill. Zipcar's continued dwindling fortunes in the

market and recent mergers news would make its stock a perfect bill for an investor within the investor's life cycle known as gifting (Savitz, 2013). In this phase, investors are more prone to have assets remaining at the end of their lives, but they focus more on estate planning.

Give two aspects of behavioral finance you believe are present in today's stock market. Discuss your answer and include specific examples (market events, current events, etc.)

According to Burton (2013), calendar effects have emerged as vital aspect of behavioral finance amongst present investors in the country. Calendar Effects implies that people analyze specific dates and periods in which stock prices do rise. This is absurd, but Wall Street research over the few years has validated this claim. Over confidence among present investors as an aspect of behavioral finance is increasingly being noted among present investors.

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