**Research Project Assignment 1:**

**Research Question and Theoretical Arguments**

**John Hopkins University – Computational Modeling for Policy and Security Analysis**

In the month of January, the market value of GameStop ballooned from a low of $1.4 billion to a high of $33.7 billion, before deflating into the low-single billions in mid-February (Reuters Article). The spectacle that was GameStop’s share price, along with the other “stonks” promoted on the WallStreetBets Reddit page, seems to directly contradict the efficient market hypothesis, and the idea of *homo economicus* (the assumption that humans act with perfection rationality, often used in economic models). These ideas underpin much of what we think we know about how markets (particularly securities markets) work, and without them it isn’t clear what drives prices in these markets. If the price of a security isn’t just the expected value based on public information of the security, then what is it? If individuals don’t always make trades that are rational (i.e. maximize future utility), then how do they make trades? How does all of this affect the market? The answer to these questions has implications on large sums of money, as evidenced by the GameStop saga.