In current study wehave single stock whose price observe a switching geometric Brownian motion. Also, the stockpay no dividends. Given the current price of a stock the sold axiom consists of target price and a stoploss limit. A 'sell' decision is made when the price reach either the target price or the set stop-loss limit. The main purpose is to benefit investors. During their financial careers, One investors often pick up the a bad weak stock or the purchase it made is at the wrong time in reality. So, In both the cases, it is often wise and necessary to sel sell it such a stock as soon as possible to stop curtail losses. In practice, a target prices, are is typically —around a gain of 15-% —5-5-% and a stop-loss limit-s generally vary from 5-% to to 20-%–. It isHowever, however, it is not a good idea to adopt uniform rules for booking profits and losses taking. because Each each stock different, has it's own characteristics that call for . Moreocer, it should be treated differently with different liquidation rules.

In this study, we consider set of targetprices and stop-loss limits and choose a target price and stop-loss Limit in that set to enhance an expected reward function . We aim, at deriving this price limits… In addition, we get the expected target period and the probability of making and losing money. In practice, investorsa frequently used critera for measureing the portfolio performance of portfolio ias the percentage return pr over a given timeunit time. HoweverHowever, such thata criterion has lead to many transactions because of it encourages taking small profits taking within the a short brief holding time period (τ0) and increases transaction costs. For those reasons and others, it may be. Clearly, such a criterion is not unsuitable to for retail investors, especially those because whoof the cannotlimited time available for constantly monitor their portfolios trading and Additional transaction costs. In contrast, A a discount factor, in contrast reducesules out very the frequency and cost oft transactions because it replaces the time as a determinant of holding periodfactor is replaced by discount rate. Theis da

Comment [A1]: In academic writing, it is important that the objective is mentioned after the supporting information/background of the study. Hence, this part has been moved to a later instance.

Comment [A2]: A research paper should not contain any extra/unnecessary information as it does not significantly contribute to the presentation of an author's idea. Hence, this information has been deleted.

Comment [A3]: No spaces are added before and after an en dash in a range.

Comment [A4]: These two sentences have been merged as the second sentence provided supporting information for the first sentence.

Comment [A5]: A substantive edit ensures that the text of a manuscript is structurally accurate and every information is placed at the correct instance. Hence, this part has been moved to a later instance.

Comment [A6]: Emphasizing the correct information is necessary to clearly convey the intended meaning. We have revised this instance to clearly mention why the criterion is unsuitable for retail investors.

Comment [A7]: Transitional phrases that are necessary to denote the shift in the tone of sentences should be mentioned in the beginning of sentences to ensure clarity among readers.

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discounted-reward function is ~~natural in many financial problems~~ commonly applied to many financial problems.

This study examines a no-dividend stock with prices that exhibit regime-switching geometric Brownian motion. We consider sets of stop-loss limits and target prices and determine those that promise to enhance an expected reward function. We aim to derive these limits as well as an expected holding period and probabilities of making and losing money.

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