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| Course Details | | | | | | | | | | | | | | | | | | | |
| Code | | | | | | | | | | | | | | **Academic Year** | | | | | **Semester** |
| BE006 | | | | | | | | | | | | | | 2021-2022 | | | | |  |
| Title | | | | | | | | | | | | | | **T** | **A** | | **L** | | **ECTS** |
| Behavioral Finance | | | | | | | | | | | | | | 3 |  | | 0 | | 10 |
|  | | | | | | | | | | | | | | | | | | | |
| Language | | | | | English | | | | | | | | | | | | | | |
| Level | | | | | **Master** |  | | | **Doctorate** | | | **X** | | | | | | | |
| Department / Program | | | | | PhD in Business and Economics | | | | | | | | | | | | | | |
| Forms of Teaching and Learning | | | | | Face-to-Face | | | | | | | | | | | | | | |
| Course Type | | | | | **Compulsory** | | |  | | | | | **Elective** | | | | | **X** | |
| Objectives | | | | | -Obtain exposure to the frontier of empirical research in behavioral economics  -Learn how to critically assess a rapidly evolving literature and how to develop novel ideas that contribute to it  -Learn how to test (behavioral) financial theory using field experiments and nonexperimental data  -Develop and present a research proposal, as well as give feedback to others | | | | | | | | | | | | | | |
| Content | | | | | Covering the theory and practice of behavioral finance, including a history of financial bubbles, scams, and a study of the heuristics (rules of thumb) and biases that drive human behavior. Other topics in this course include prospect theory, common investment mistakes, the role of randomness in finance, retirement planning, and practical applications of behavioral finance. | | | | | | | | | | | | | | |
| Prerequisites | | | | |  | | | | | | | | | | | | | | |
| Coordinator | | | | |  | | | | | | | | | | | | | | |
| Lecturer(s) | | | | |  | | | | | | | | | | | | | | |
| Assistant(s) | | | | |  | | | | | | | | | | | | | | |
| Work Placement | | | | |  | | | | | | | | | | | | | | |
| Recommended or Required Reading | | | | | | | | | | | | | | | | | | | |
| Books / Lecture Notes | | | Nofsinger, J. (2014), The Psychology of Investing, 5th edition (international edition), Pearson | | | | | | | | | | | | | | | | |
| Other Sources | | |  | | | | | | | | | | | | | | | | |
| Additional Course Material | | | | | | | | | | | | | | | | | | | |
| Documents | | |  | | | | | | | | | | | | | | | | |
| Assignments | | |  | | | | | | | | | | | | | | | | |
| Exams | | |  | | | | | | | | | | | | | | | | |
| Course Composition | | | | | | | | | | | | | | | | | | | |
| Social Sciences | | |  | | | | | | | | | | | | | 20% | | | |
| Educational Sciences | | |  | | | | | | | | | | | | | % | | | |
| Natural Sciences | | |  | | | | | | | | | | | | | % | | | |
| Health Sciences | | |  | | | | | | | | | | | | | % | | | |
| Expert Knowledge | | |  | | | | | | | | | | | | | 80% | | | |
| Assessment | | | | | | | | | | | | | | | | | | | |
| Activity | | | **Count** | | | | | | | | | | | | | **Percentage (%)** | | | |
| Midterm Exam | | | 1 | | | | | | | | | | | | | 30 | | | |
| Quiz | | |  | | | | | | | | | | | | |  | | | |
| Assignments | | | 10 | | | | | | | | | | | | | 20 | | | |
| Attendance | | |  | | | | | | | | | | | | |  | | | |
| Recitations | | |  | | | | | | | | | | | | |  | | | |
| Projects | | |  | | | | | | | | | | | | |  | | | |
| Final Exam | | | 1 | | | | | | | | | | | | | 50 | | | |
| Total | | | | | | | | | | | | | | | | **100** | | | |
| ECTS Points and Work Load | | | | | | | | | | | | | | | | | | | |
| Activity | | | **Count** | | | | | | | | **Duration** | | | | | **Work Load (Hours)** | | | |
| Lectures | | | 14 | | | | | | | | 3 | | | | | 52 | | | |
| Self-Study | | | 1 | | | | | | | | 214 | | | | | 214 | | | |
| Assignments | | | 10 | | | | | | | | 1 | | | | | 10 | | | |
| Presentation / Seminar Preparation | | |  | | | | | | | |  | | | | |  | | | |
| Midterm Exam | | | 1 | | | | | | | | 2 | | | | | 2 | | | |
| Recitations | | |  | | | | | | | |  | | | | |  | | | |
| Laboratory | | |  | | | | | | | |  | | | | |  | | | |
| Projects | | |  | | | | | | | |  | | | | |  | | | |
| Final Exam | | | 1 | | | | | | | | 2 | | | | | 2 | | | |
| Total Work Load | | | | | | | | | | | | | | | | **280** | | | |
| ECTS Points (Total Work Load / 28) | | | | | | | | | | | | | | | | **10** | | | |
| Course Learning Outcomes | | | | | | | | | | | | | | | | | | | |
| 1 | Understand and critically discuss the differences between a behavioural finance perspective and a traditional finance perspective | | | | | | | | | | | | | | | | | | |
| 2 | Understand and critically discuss the cognitive biases and errors of judgment that affect financial decisions | | | | | | | | | | | | | | | | | | |
| 3 | Critically evaluate behavioural influences involving individuals’ investment decisions | | | | | | | | | | | | | | | | | | |
| 4 | Critically evaluate behavioural influences involving corporate (executive) financial decisions | | | | | | | | | | | | | | | | | | |
| 5 | Critically discuss important developments in this new area and the associated practical insights they provide | | | | | | | | | | | | | | | | | | |
| Weekly Content | | | | | | | | | | | | | | | | | | | |
| 1 | Introduction: What is Behavioral Finance? | | | | | | | | | | | | | | | | | | |
| 2 | Limits to Arbitrage: Friedman critique, Risks induced by arbitrage, Destabilizing arbitrage | | | | | | | | | | | | | | | | | | |
| 3 | Cognitive Biases—Preferences; Prospect Theory: Value and Probability Weighting functions | | | | | | | | | | | | | | | | | | |
| 4 | Cognitive Biases—Preferences (cont.); Prospect Theory: Framing Effects | | | | | | | | | | | | | | | | | | |
| 5 | Cognitive Biases—Preferences (cont.) [Non-consequentialism: Disjunction Effect, Selfdeception] | | | | | | | | | | | | | | | | | | |
| 6 | Cognitive Biases—Preferences (Neurofinance) | | | | | | | | | | | | | | | | | | |
| 7 | Cognitive Biases—Emotions & Midterm Exam | | | | | | | | | | | | | | | | | | |
| 8 | Cognitive Biases—Beliefs [Expert judgment, Learning] | | | | | | | | | | | | | | | | | | |
| 9 | Cognitive Biases—Beliefs (cont.) | | | | | | | | | | | | | | | | | | |
| 10 | Applications: Behavioural Finance 1 | | | | | | | | | | | | | | | | | | |
| 11 | Applications: Behavioural Finance 1 (cont.) | | | | | | | | | | | | | | | | | | |
| 12 | Applications: Behavioural Finance 2 | | | | | | | | | | | | | | | | | | |
| 13 | Applications: Behavioural Finance 2 (cont.) | | | | | | | | | | | | | | | | | | |
| 14 | Discussion & Presentations | | | | | | | | | | | | | | | | | | |
| 15 | Final Exam | | | | | | | | | | | | | | | | | | |
| Contribution of Learning Outcomes to Program Objectives (1-5) | | | | | | | | | | | | | | | | | | | |
| CLO | **P1** | | | **P2** | | | **P3** | | |
| 1 | 4 | | | 4 | | | 4 | | |
| 2 | 4 | | | 4 | | | 4 | | |
| 3 | 4 | | | 4 | | | 4 | | |
| 4 | 4 | | | 4 | | | 4 | | |
| 5 | 4 | | | 4 | | | 4 | | |
| Contribution Level | | 1: Low 2: Low-intermediate 3: Intermediate 4: High 5: Very High | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | |
| Compiled by: | |  | | | | | | | | | | | | | | | | | |
| Date of Compilation: | |  | | | | | | | | | | | | | | | | | |