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| 1.  | Title of the Course  | Behavioral Finance                           |
| 2.  | Course Number  | HS6028                                       |
| 3.  | Status of the Course   | Elective                                     |
| 4.  | Structure of Credits   | 3-0-0-3                                      |
| 5.  | Offered To   | PG   |
| 6.  | New Course/Modification to   | New  |
| 7.  | To be Offered by   | Department of Humanities and Social Sciences |
| 8.  | To take effect from  | July 2019                                    |
| 9.  | Prerequisite   | Nil  |
| 10. | Whether approved by the Department   | Yes  |
| 11. | <b>Course Objective:</b> To introduce the predictable and repeatable mistakes that an investor makes in financial decision-making. To understand how incorporating these mistakes into finance theories can markedly improve standard finance models.  |  |
| 12. | <b>Course Content:</b> Introduction to behavioral finance; Limits to arbitrage; Cognitive biases; Prospect theory; Non-consequentialism; SP/A theory; The decision making process and behavioral biases; Decision theory paradoxes; Stock market anomalies; Understanding investor behaviour; What "intelligence" means for investors.               |  |
| 13. | <b>Text book(s):</b><br>1. Forbes W, <i>Behavioural Finance</i> , John Wiley & Sons (2009).<br>2. Shleifer A, <i>Inefficient Markets: An Introduction to Behavioral Finance</i> , Oxford University Press (2000).  |  |
| 14. | <b>Reference(s):</b><br>1. Ackert L and Deaves R, <i>Behavioral Finance: Psychology, Decision-Making, and Markets</i> , Cengage Learning (2009).<br>2. Thaler R, <i>Advances in Behavioral Finance. Vol. II</i> , Princeton University Press (2005).<br>3. Thaler R, <i>Advances in Behavioral Finance. Vol. I</i> , Russell Sage Foundation (1993). |  |