

Name of the Programme: MBA

Course Code: MGA-614

Title of the course: Behavioural Finance

Number of credits: 2

Effective from: 2022-23

Prerequisites for the course:	NIL	
Objective:	To enable the participants to make financial decisions by evaluating biases and the behaviour of individual investors, fund managers and corporate managers.	
Content:	Unit I: Overview of Behavioural Finance Overview of behavioural finance - Biases in individual Investors and Professional Investors, Heuristics, Disposition effect, Risk perceptions, Portfolio Management - Herding and Social Interaction, Familiarity and representativeness, Prospect Theory. Unit II: Behavioural Finance and Decision Making Decision Frames, Emotions and Investment Decisions Behavioural biases and Corporate Decision-making-Valuation, Capital Budgeting, Capital Structure Dividend Policy and Mergers & Acquisitions	15 hours 15 hours
Pedagogy:	Lectures/Tutorials/Laboratory Work/ Field Work/ Outreach Activities/ Project Work/ Vocational Training/Viva/ Seminars/ Term Papers/Assignments/ Presentations/ Self-Study/ Case Studies Etc. or a Combination of Some of these. Sessions shall be Interactive in nature to enable Peer Group Learning.	
References/ Readings:	1. Satish, D. and Kishore, P. Krishna; Behavioral Finance; The ICFAI University Press; 2006 or Latest Edition. 2. Nofsinger, J.; The Psychology of Investing; Pearson; 2017 or Latest Edition. 3. Shefrin, H.; Behavioral Corporate Finance; McGraw-Hill; 2005 or Latest Edition. 4. Forbes, W.; Behavioural Finance; John Wiley; 2009 or Latest Edition. 5. Ackert, L. and Deaves, R.; Behavioral Finance: Psychology, Decision-Making, and Markets; South-Western; 2012 or Latest Edition.	
Course Outcomes:	At the end of the course, participants will be able to: <ul style="list-style-type: none">• Evaluate the biases and errors of judgment that affect financial decisions.• Use behavioural patterns in making financial decisions.	

[\(Back to top\)](#)