

Course Descriptions None 2017-2018

Course Title	Behavioural Finance																																	
Course Code	EBC4053																																	
ECTS Credits	6,5																																	
Assessment	None																																	
Period	Period	Start	End	Mon	Tue	Wed	Thu	Fri																										
	4	5-2-2018	6-4-2018		X			X																										
Level	Advanced																																	
Coordinator	Thomas Post For more information:t.post@maastrichtuniversity.nl																																	
Language of instruction	English																																	
Goals	The purpose of this course is to provide an understanding of the psychological underpinnings of the behaviour of individuals and the effect that has on financial markets and the financial decision making processes in corporations.																																	
Description	<p>Traditional finance literature is based on the assumption of rational and omniscient investors who optimize the risk/return profile of their portfolios. This approach has merits in the development of theoretical foundations like the Capital Asset Pricing Model and the Arbitrage Pricing Theory for a stylized world with efficient markets. However, treating investors as being utility optimizing, omniscient, and unboundedly rational individuals, sets limits to understanding and explaining real-life investors' behaviour. The limitations of traditional finance are well-known in the field of behavioural finance and the extant literature in the latter field has contributed to understanding many facets of both micro level individual investor as well as macro level stock market behaviour that were inexplicable from a traditional finance perspective. behavioural finance is a relatively new discipline that studies how psychology affects finance. This course serves to provide a broad overview of what constitutes behavioural finance and how its findings may be used to better understand and possibly improve both the financial decision-making behaviour of individual investors as well as that of corporate executives and provides first insights in how we may apply this knowledge when developing financial products.</p>																																	
Literature	<p>There will be a opening lecture.</p> <p>Both a textbook and a collection of articles will be used:</p> <p>Textbook: Shefrin, Hersh (2007). Beyond Greed and Fear: Understanding Behavioral Finance and the Psychology of Investing. Oxford University Press.</p> <p>Articles: A selection of later to be announced scientific articles will be used. This will be posted on ELEUM.</p>																																	
Prerequisites	<p>Courses and workload are very demanding for all IB Master courses. Exchange students need to have obtained a Bachelor degree in business. Exchange students need to major in finance in their Master.</p> <p>Students are expected to understand the basics of CAPM and portfolio choice as well as financial markets and investor behaviour.</p>																																	
Teaching methods	PBL / Presentation / Lecture / Assignment																																	
Assessment methods	Final Paper / Attendance / Participation / Written Exam																																	
Evaluation in previous academic year	For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM																																	
This course belongs to the following programme / specialisation	<table border="1"> <tr> <td>Master Business Research</td> <td>IB Electives</td> </tr> <tr> <td>Master Business Research Track OR</td> <td>IB Electives</td> </tr> <tr> <td>Master Human Decision Science</td> <td>Electives</td> </tr> <tr> <td>Master International Business Specialisation Accountancy</td> <td>Electives</td> </tr> <tr> <td>Master International Business Specialisation Controlling</td> <td>Electives</td> </tr> <tr> <td>Master International Business Specialisation Entrepreneurship and SME Management</td> <td>Electives</td> </tr> <tr> <td>Master International Business Specialisation Marketing-Finance</td> <td>Compulsory Courses</td> </tr> <tr> <td>Master International Business Specialisation Organisation: Management, Change and Consultancy</td> <td>Electives</td> </tr> <tr> <td>Master International Business Specialisation Strategic Corporate Finance</td> <td>Compulsory Courses</td> </tr> <tr> <td>Master International Business Specialisation Strategy and Innovation</td> <td>Electives</td> </tr> <tr> <td>Master International Business Specialisation Sustainable Finance</td> <td>Electives</td> </tr> <tr> <td>SBE Exchange Master</td> <td>Master Exchange Courses</td> </tr> <tr> <td>SBE Non Degree Courses</td> <td>Master Courses</td> </tr> </table>								Master Business Research	IB Electives	Master Business Research Track OR	IB Electives	Master Human Decision Science	Electives	Master International Business Specialisation Accountancy	Electives	Master International Business Specialisation Controlling	Electives	Master International Business Specialisation Entrepreneurship and SME Management	Electives	Master International Business Specialisation Marketing-Finance	Compulsory Courses	Master International Business Specialisation Organisation: Management, Change and Consultancy	Electives	Master International Business Specialisation Strategic Corporate Finance	Compulsory Courses	Master International Business Specialisation Strategy and Innovation	Electives	Master International Business Specialisation Sustainable Finance	Electives	SBE Exchange Master	Master Exchange Courses	SBE Non Degree Courses	Master Courses
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