Course Descriptions None 2023-2024

Course Title	Behavioural Finance
Course Code	EBC4053
ECTS Credits	6,5
Assessment	Whole/Half Grades

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
4	5-2-2024	28-3-2024	X		X		

Level	Intermediate
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	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. There will be a opening lecture.
Literature	Both a textbook and a collection of articles will be used: Textbook: Statman, Meier, 2017, Finance for Normal People - How Investors and Markets Behave, Oxford University Press Articles: A selection of later to be announced scientific articles will be used.
Prerequisites	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. Students are expected to understand the basics of CAPM and portfolio choice as well as financial markets and investor behaviour.
Teaching methods	PBL / Presentation / Lecture / Papers / Groupwork / Research
Assessment methods	Final Paper / Participation / Written Exam / Presentation
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

Master Business Research - No specialisation	Year 1 Disc - IB Marketing-Finance
Master Business Research - No specialisation	Year 1 Disc - IB Strategic Corporate Finance
Master Business Research - Operations Research	Elective Course(s)
Master Human Decision Science	Elective Course(s)
Master International Business - Marketing-Finance	Compulsory Course(s)
Master International Business - Strategic Corporate Finance	Compulsory Course(s)
SBE Exchange Master	Master Exchange Courses
SBE Non Degree Courses	Master Courses