

BFC-M-09: Behavioral Finance - An Introduction and Current Issues

Summer Term 2024 - Lecturer: Prof. Dr. Petko S. Kalev

Subject Description:

In this module, you will learn about the behavioral biases, heuristics and framing effects that present obstacles to maximizing the value derived from financial and investment decisions. In other words, Behavioral Finance examines how individual financial decision making and behavior affect outcomes in financial markets. This will include examination of the trading and investment behaviors of various types of investors, including individual and institutional investors, and in various market settings, with predominant focus on equity investment and trading markets.

Intended Learning Outcomes for Students enrolled in this Class:

1. Critically identify the behavioral biases, heuristics and framing effects that present obstacles to maximizing the value derived from corporate financial and investment decisions.
2. Critically assess and analyze how individual financial decision making and behavior affect investment outcomes in financial markets.
3. Critically highlight the relevant issues that arise in comparisons between efficient ('economically rational') markets and less understood but more realistic behavioral ('partially rational' or 'irrational') markets.
4. Demonstrate how educated investors and corporate decision makers can overcome these behavioral biases, heuristics and framing effects to improve their corporate financial and investment decisions.

Prescribed textbook:

Nofsinger, John R., 2018. *The Psychology of Investing*, 6th Edition. Routledge Taylor & Francis Group, New York, NY 10017.

Timetable:

Wednesday, May 22, 2024: Classroom Teaching

9:45 am - 17:15 pm (9:45-11:15, 11:30-13:00, 14:00-15:30, 15:45-17:15)

Thursday, May 23, 2024: Classroom Teaching

9:45 am - 15:30 pm (9:45-11:15, 11:30-13:00, 14:00-15:30)

Friday, May 24, 2024: Classroom Teaching

9:45 am - 15:30 pm (9:45-11:15, 11:30-13:00, 14:00-15:30)

Monday, July 8, 2024: Project Presentation (Zoom): Presentation of Projects – Student Group 1

9:00 am - 12:30 pm (9:00-10:30, 11:00-12:30)

Tuesday, July 9, 2024: Project Presentation (Zoom): Presentation of Projects – Student Group 2

9:00 am - 12:30 pm (9:00-10:30, 11:00-12:30)

Exam: Seminar paper and presentation (Hausarbeit und Referat)

Credit: 6 ECTS

Language: English

Admission: The course is open for Master Students of the following programs:

- Master BWL
- Master IBWL
- Master Finance & Accounting
- International Students (“Erasmus Students”)

Recognition of Credits:

- Master BWL/IBWL: Mobility Window (BWL: “Forschung”, IBWL: “Internationale Betriebswirtschaftslehre (Wahlpflichtbereich b)”) or “Research Issues in Banking and Financial Control” (“Forschungsfragen im Banking und Finanzcontrolling”) (BFC-M-04)
- Master Finance & Accounting: „Methoden und Forschung (Weitere Kompetenzen)” or “Research Issues in Banking and Financial Control” (“Forschungsfragen im Banking und Finanzcontrolling”) (BFC-M-04). Master Finance & Accounting students will receive a credit certificate (“Schein”).

Deadlines

- Registration for the exam: **Tuesday, May 2, 2024, 18:00h** through **FlexNow** (In case of any registration problems, please contact [bwl-bfc\(at\)uni-bamberg.de](mailto:bwl-bfc(at)uni-bamberg.de)). Exception: Master Finance & Accounting students register in person with Ms. Weinhäupl, personal assistant at the Chair of Banking and Financial Control, Room Kä7/01.34
- De-registration from the exam: **Wednesday, June 7, 2024, 12:00** through **FlexNow**. Exception: Master Finance & Accounting students deregister in person with Ms. Weinhäupl.

Virtual Campus

There will be a Virtual Campus for this class. Students may register in the Virtual Campus until Thursday, May 16, 2024 without a password. After that date a password will be required that will be communicated during the first classroom session.

Limited Access

The number of students to be admitted to the class is limited. Access will be granted following the principles of the University of Bamberg. Information about the enrolment will be communicated in the beginning of May.