Course description form (syllabus form) – for 1st and 2nd cycle studies

**A. General data**

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| **Name of the field** | | **Content** |
| Course title | | Behavioral Finance |
| Organizational unit: | | Faculty of Management |
| Organizational unit where the course is offered: | | Faculty of Management |
| Course ID | | 2600-IBP-BF |
| Erasmus code / ISCED | | **-------------** |
| Course groups | |  |
| Period when the course is offered | | Spring 2024 |
| Short description | | This course explores the intersection of psychology and finance, revealing how cognitive and emotional biases influence financial decisions. It blends theory with real-world applications in investment, spending, and policy-making. |
| Type of course: | | Seminar |
| Full description | | This course offers a comprehensive dive into behavioral finance, beginning with its emergence as a distinct field from traditional finance, highlighting the shift from the assumption of rational economic actors to a more nuanced understanding of human behavior in financial decision-making. It explores the psychological foundations underpinning the field, including cognitive psychology and neurofinance, to explain how emotional and cognitive biases influence financial choices. The curriculum delves into the construction and deconstruction of arguments, the identification and mitigation of cognitive and emotional biases, and the application of these insights in investment, spending, and government policy contexts. It also examines the impact of behavioral finance on corporate behavior, marketing, and ethical considerations. Through a mix of theoretical concepts and real-world applications, including the latest in FinTech and digital currencies, the course aims to equip participants with a deep understanding of how human behavior shapes financial markets, personal finance, and policy-making, preparing them for the evolving landscape of financial decision-making. |
| Prerequisites | Formal |  |
| Initial | Basic financial and economic concepts |
| Learning outcomes | | Upon completing a course in behavioral finance, students should be able to achieve the following learning outcomes: (1) understand basic concepts of behavioral finance; (2) Identify and Analyze Cognitive and Emotional Biases; (3) Develop Strategies to Mitigate Biases; (4) Apply Behavioral Concepts to Financial Decision-Making; (5) Research and Analyze Behavioral Finance Issues |
| ECTS credit allocation (and other scores) | | 4 |
| Assessment methods and assessment criteria | | test |
| Examination | | test |
| Type of class | | Seminar |
| Method of implementation of the subject | | Discussion, |
| Language | | English |
| Bibliography | | Behavioral finance –Meir Statman, open-access publication from the CFA institute |
| Internship as part of the course | | no |
| Coordinators | | Tomasz Wyłuda |
| Group instructors | |  |
| Notes | |  |

**B. Detailed data**

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| **Name of the field** | **Content** |
| Group instructors: | **Tomasz Wyłuda** |
| Title | **PhD** |
| Type of class: | seminar |
| Learning outcomes defined for didactic method used during the course | Upon completing a course in behavioral finance, students should be able to achieve the following learning outcomes: (1) understand basic concepts of behavioral finance; (2) Identify and Analyze Cognitive and Emotional Biases; (3) Develop Strategies to Mitigate Biases; (4) Apply Behavioral Concepts to Financial Decision-Making; (5) Research and Analyze Behavioral Finance Issues |
| Assessment methods and assessment criteria for didactic method used during the course | test |
| Examination for didactic method used during the course | test |
| Range of content | 1. Introduction to Behavioral Finance   - Overview of behavioral finance  - Historical development  - Differences between traditional and behavioral finance  - Rational Economic Man   1. Psychological Foundations of Behavioral Finance  * Evolution and systems * Rational decisions making * Neurofinance * Cognitive psychology in finance * Emotional biases and their impact on financial decision-making * Fast and slow thinking * Insights from neuroscience on financial decision-making * Brain imaging studies and financial choices  1. Arguments building  * Logic and arguments building * Mistakes * Manipulations  1. Cognitive biases  * Sources of cognitive biases * Types of cognitive biases * How to recognize and mitigate them  1. Emotional biases  * Sources of cognitive biases * Types of cognitive biases * How to recognize and mitigate them  1. Behavioral Finance and Investing  * CAPM and Anomalies in Financial Markets * Price bubbles and market crashes * Behavioral Portfolio Theory * Asset allocation and diversification from a behavioral perspective * Safety-first principles * Investor Behavior and Performance The role of emotions in trading decisions * Behavioral Finance Applications in Financial Planning and Advisory Services * Psychological biases in risk perception and tolerance  1. Behavioral Finance and consumption/Spending  * Behavioral finance in personal financial planning * Long term/short term thinking * The Happiness-Money Paradox * Cultural Influences on Financial Behavior * Consumer Savings -behavioral aspects * Debt and compulsory spending  1. Relations between government and behavioral finance  * Behavioral Economics and Public Policy * Unintended consequences of policymaking * Ethical Considerations in Behavioral Finance * Financial distress and the psychology of turnarounds * Equality vs Equity * Impact of inflation on policymaking  1. Corporations and behavioral finance  * Agency effect * Stakeholders * Corporate culture * Behavioral biases in marketing * Business Ethics * How managers' biases affect corporate policies * Ethical dilemmas and conflicts of interest  1. Integrating behavioral insights into financial practice and education  * Analysis of real-world financial decisions and market events * Lessons learned from behavioral finance case studies * Behavioral Finance and FinTech * The impact of technology on financial behavior * Emerging trends and research areas * Behavioral finance in the age of blockchain and cryptocurrencies * Future Directions in Behavioral Finance |
| Didactic methods | Discussion, Case studies, Lecturing |
| Bibliography | Behavioral finance –Meir Statman, open-access publication from the CFA institute |
| Group limit |  |
| Time span |  |
| Location |  |