

GANPAT UNIVERSITY									
FACULTY OF MANAGEMENT STUDIES									
Programme		Bachelor of Business Administration			Branch / Spec.		Finance		
Semester		IV			Version		1.0.0.0		
Effective from Academic Year			2025-26		Effective for the Batch Admitted in				July 2024
Subject Code		BFIN204		Subject Name		Behavioural Finance			
Teaching Scheme					Examination Scheme (Marks)				
(Per week)	Lecture (DT)		Practical (Lab.)		Total		CE	SEE	Total
	L	TU	P	TW					
Credit	04	00	00	00	04	Theory	50	50	100
Hours	04	00	00	00	04	Practical	00	00	00

Pre-requisite:

Basic knowledge of finance, economics and decision-making principles.

Objective:

The course aims to help students understand the impact of psychological biases and irrational behaviors on financial decision-making, market anomalies, investor behavior and corporate finance.

Learning Outcomes/Course Outcomes::

On successful completion of the course, the students will be able to:

CO1- Understand the fundamentals of Behavioural Finance.

CO2- Analyze the impact of psychological biases on financial decision-making and investor behavior.

CO3- Evaluate investor behavior and its influence on market trends.

CO4- Apply behavioural finance concepts to investment strategies, corporate finance, and financial planning.

Mapping of PO-CO and PSO-CO:

	Course Outcome (CO) No.	PO-CO Mapping								PSO-CO Mapping						
		PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PSO1	PSO2	PSO3	PSO4	PSO5	PSO6	
	CO1	3	2	1	2	1	2	3	3	3	2	3	2	2	3	
	CO2	3	2	1	3	1	2	3	3	3	3	3	2	2	3	
	CO3	2	2	1	2	1	2	3	3	2	3	3	2	2	3	
	CO4	3	2	1	3	1	2	3	3	3	3	3	2	2	3	

Theory Syllabus

Unit	Content	Hrs.
1.	Introduction to Behavioural Finance Definition and importance of behavioural finance; Traditional finance vs. Behavioural finance; Foundations of rational decision-making in finance; Prospect theory and loss aversion (Kahneman & Tversky); Market anomalies and inefficiencies.	15
2.	Psychological Biases in Financial Decision-Making Cognitive biases: Overconfidence, anchoring, availability heuristic, confirmation bias; Emotional biases: regret aversion, endowment effect, status quo bias; Herding behaviour in investment decisions; Role of fear and greed in financial markets; Impact of biases on stock market bubbles and crashes.	15
3.	Investor Behaviour and Market Implications Investor sentiment and market trends; Behavioural portfolio theory; Heuristics in investment decisions; Framing effects in financial decision-making; Role of culture and social influence on investor behaviour.	15
4.	Applications of Behavioural Finance Behavioural corporate finance: Managerial decision-making; Role of behavioural finance in wealth management; Nudging and behavioural interventions in financial planning; Behavioural biases in personal finance and retirement planning.	15
	Exam: Theory 100%	

Text Books:

Kapoor, S., & Prosad, J. M. (2017). *Behavioural Finance*. Sage Publications.

	Ackert, L. F., & Deaves, R. (2010). <i>Behavioral Finance: Psychology, Decision-Making, and Markets</i> . South-Western Cengage Learning.
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Reference Books:

Kahneman, D., & Tversky, A. (2011). *Thinking, Fast and Slow*. Farrar, Straus and Giroux.

Montier, J. (2007). *Behavioural Investing: A Practitioner's Guide to Applying Behavioural Finance*. Wiley.

Pompian, M. M. (2012). *Behavioral Finance and Wealth Management: How to Build Optimal Portfolios That Account for Investor Biases*. Wiley.

Shefrin, H. (2000). *Beyond Greed and Fear: Understanding Behavioral Finance and the Psychology of Investing*. Harvard Business School Press.

Shleifer, A. (2000). *Inefficient Markets: An Introduction to Behavioral Finance*. Oxford University Press.

Thaler, R. H. (2005). *Advances in Behavioral Finance, Volume II*. Princeton University Press.

Online Resource:

[https://onlinecourses.swayam2.ac.in/imb25_mg37/preview\(Behavioural Finance-By Prof. Shikta Singh\)](https://onlinecourses.swayam2.ac.in/imb25_mg37/preview(Behavioural Finance-By Prof. Shikta Singh))