

RESEARCH AND POSTGRADUATE DEPARTMENT OF COMMERCE
HENRY BAKER COLLEGE, MELUKAVU
CERTIFICATE PROGRAMME

Programme Code : **HBC/COM/CP05/2019-20**

Title of the Course: Certificate Program in Behavioral Finance (CPBF)

Faculty in charge: Jenipher Carlos Hosanna

Instructional Hours: **30 Hours**

SYLLABUS

Objective: *The objective of this course is to cover the behavioral aspects of financial decision making and personal finance planning. The students shall be introduced to the theoretical, mathematical, and empirical underpinnings of anomalies and biases that investors face in financial markets. The course also focuses the behavioral approach of investment and personal financial planning.*

Module1 : Introduction to behavioral economics and finance: the concept of expected utility, the Von Neumann–Morgenstern framework.

- Introduction to Behavioral Economics and Finance
- Economics of Decision Making
- Decision Making Under Risk and Uncertainty **5 Hours**

Module2 : Non-expected utility preferences and its applications in finance.

- Non-expected Utility Preferences
- Prospect Theory and Behavioral Biases
- Prospect Theory and Behavioral Finance **5 Hours**

Module3 : Beliefs, biases and heuristics in financial markets.

- Beliefs, Biases and Heuristics
- Biases and Financial Decision-Making
- Overconfidence and Investor Behavior **5 Hours**

Module4 : Basics of personal finance, financial planning, and budgeting.

- Valuation of Financial Assets
- Portfolio Return and Risk
- Personal Financial Goals
- Planning Personal Finances
- Cash Flow Statement, Personal Balance Sheet **5 Hours**

Module5 : Investment decision making and behavioral finance

- Taxes and Financial Planning
- Portfolios for Individual Investors **5 Hours**

Module6 : Investment strategies for individual investors.

- Investment Alternatives for Individual Investors
- Investing in Mutual Funds
- Fixed Income Investments **5 Hours**

Module7 : Purchasing decisions, consumer credit and related issues.

- Purchasing Decisions
- Consumer Credit Decisions
- Loans and Amortization
- Credit Card as Source of Consumer Credit **5 Hours**

Module8 : Alternative investment and structured finance.

- Alternative Investments
- Structured Finance
- Wealth Management **5 Hours**

BOOKS AND REFERENCES

1. Behavioral Finance, William Forbes, Wiley, 2019.
2. Behavioral Finance: Psychology, Decision-Making and Markets, L. F. Ackert and R. Deaves, South-Western College Publication.
3. Investor Behavior: The Psychology of Financial Planning and Investing, H K Baker and V Ricciardi, Wiley, 2020.
4. Personal Finance (11th ed.), Jack Kapoor, Les Dlabay and R. J. Hughes, McGraw Hill.