

Course title: **Behavioral Finance**

Studies: International Business

Course description form (syllabus form)

General data						
Cycle of studies	2024-2027					
Organizational unit	Faculty of Economic Sciences					
Studies	International Business, first-cycle studies					
The profile of education	general academic					
Semester	06					
Mode of studies	full-time					
Type of course	Lecture	Practical session	Laboratory	Conversatorium	Seminar	Project
Number of hours	15	30	-	-	-	-
Number of ECTS	3 ECTS					
Examination	Graded credit					
Language	English					
Content author	Karolina Smętek, Msc					
Course objectives						
The aim of the course is to familiarize students with knowledge in the field of behavioral finance. In particular, issues related to investor behavior, arbitrage and the importance of psychology in making investment decisions will be discussed.						
Prerequisites						
Basic knowledge of finance.						
Student workload						
1. Class sessions - 45 hours 2. Reading literature for classes - 13 hours 3. Consultations – 2 hours 4. Assessment preparation - 15 hours TOTAL: 75 hours (3 ECTS)						
Short description						
Psychology in making financial decisions. Introduction to behavioral finance - essence, history, place in financial sciences. Behavioral finance and financial markets – connections. Arbitrage in financial markets - behavioral perspective. The influence of emotions and the environment on investment decisions. Overconfidence as a risk factor in financial and investment decisions. Culture and religion and investment decisions. Anomalies in financial markets. Investor and manager behavior. Management in an inefficient market.						
Learning outcomes						
KNOWLEDGE: W01. Participants have advanced knowledge of facts, objects and phenomena of a financial and investment nature and the importance of psychology in finance in national and international terms (IB1_W01). W02. Participants know and understand ethical and moral standards along with their effects in relation to making investment decisions conditioned by behavioral factors in international enterprises (IB1_W05). W03. Participants know and understand the legal, ethical and behavioral conditions of running a business and their consequences for the financial situation internationally (IB1_W06). SKILLS: U01. Participants are able to identify, analyze and plan complex investment processes, taking into account the psychological and behavioral determinants of decision-making (IB1_U01). U02. Participants are able to use theoretical and practical knowledge, including ethical and moral principles of financial and decision-making enabling effective management of international enterprises (IB1_U05). U03. Participants are able to independently plan and implement their own lifelong learning (IB1_U06). COMPETENCIES: K01. Participants are ready to critically evaluate their knowledge and content in the field of behavioral finance, understanding the need for continuous professional education and personal development (IB1_K01). K02. Participants are ready to think and act in an entrepreneurial way and work in international enterprises and institutions (IB1_K03). K03. Participants are prepared to comply with ethical standards in their professional work, guided by social and environmental responsibility and caring for the common good (IB1_K04).						
Form of verification						
Graded Credit: Lecture: Written Assessment - Single choice test questions regarding the material discussed during classes. Practical session: Written assessment – 5 open answer questions regarding the material discussed during classes.						
Detailed data						
Type of course: Lecture						
Bibliography						
Bibliography:						

1. Kulawczyk P., Poszewiecki A., Bizon W., Behavioral Finance of Entrepreneurship. How Can Framing Influence Financial Decisions of Entrepreneurs?, University of Gdańsk, Sopot 2011.
2. Singh R., Behavioural Finance, PHI Learning Pvt. Ltd., 2019.
3. Pompian M.M., Behavioral Finance and Investor Types. Managing Behavior to Make Better Investment Decisions, Wiley, 2012.

Supplementary:

1. Richard T., Investing Psychology. The Effects of Behavioral Finance on Investment Choice and Bias, Wiley, 2014.
2. Kubik D., Behavioral Finance. The Influence of Psychological Effects on Investor Behavior, GRIN Verlag, 2022.
3. Brooks E.H., Pandemics and Behavior Finance Control Wall Street Volatility. Where Emotions Rule, Christian Faith Publishing, Incorporated, 2021.

Range of content

1. Psychology in making financial decisions.
2. Introduction to behavioral finance - essence, history, place in financial sciences.
3. Behavioral finance and financial markets – connections.
4. Arbitrage in financial markets - behavioral perspective.
5. The influence of emotions and the environment on investment decisions.
6. Overconfidence as a risk factor in financial and investment decisions.
7. Culture and religion and investment decisions.
8. Anomalies in financial markets.
9. Investor and manager behavior.
10. Management in an inefficient market.

Didactic methods

1. Lecture with multimedia presentation
2. Discussion
3. Literature study

Assessment methods and assessment criteria

Written Assessment - Single choice test questions regarding the material discussed during classes.

Grading scale:

60% - rating 3.0

70% - 3.5

80% - 4.0

90% - 4.5

95% - 5.0

Detailed data

Type of course: Practical session

Bibliography

Bibliography:

1. Kulawczyk P., Poszewiecki A., Bizon W., Behavioral Finance of Entrepreneurship. How Can Framing Influence Financial Decisions of Entrepreneurs?, University of Gdańsk, Sopot 2011.
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Didactic methods

1. Solving tasks and experiments
2. Discussion
3. Literature study

Assessment methods and assessment criteria

Written assessment – 5 open answer questions regarding the material discussed during classes.

Grading scale:

5 answers correct – 5.0

4 answers correct – 4.5
3 answers correct – 4.0
2 answers correct – 3.5
1 answer correct – 3.0
0 answers correct – 2.0