



## Course and Examination Fact Sheet: Autumn Semester 2018

### 9,334: Theoretical Behavioural Finance

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

Decentral - Oral examination (individual) (100%, 20 mins.)

#### Attached courses

Timetable -- Language -- Lecturer

[9,334,1.00 Theoretical Behavioural Finance](#) -- Englisch -- [De Giorgi Enrico](#)

#### Course information

#### Course prerequisites

No prerequisites.

#### Course content

This course gives an introduction to the Theory of Behavioural Finance. We first review classical paradigms of decision making under risk and discuss some of their main implications for portfolio selection and asset pricing. We then introduce the most important behavioural models for decision making under risk, focusing on Cumulative Prospect Theory, and more specifically, on editing, loss aversion, probability weighting, etc. We finally study behavioural portfolio selection and asset pricing models, also discussing important application, e.g., to the advisory process of banks.

#### Content

1. Classical decision making and implications
2. Behavioural models of decision
3. Behavioural portfolio selection and asset pricing
4. Applications to private banking

#### Course structure

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#### Course literature

Bachmann, Kremena, Enrico De Giorgi, and Thorsten Hens (2018): "Behavioral Finance for Private Banking: From the Art of Advice to the Science of Advice", Wiley.

Barberis, Nicholas and Richard Thaler (2003): "A Survey of Behavioral Finance," Handbook of the Economics of Finance, Edited by G.M. Constantinides, M. Harris and R. Stulz, Chapter 18, pp. 1051-1121. Available at <https://www.sciencedirect.com/science/article/pii/S1574010203010276> (restricted access from Uni St. Gallen network).

(\*) De Giorgi, Enrico (2018): Theoretical Behavioural Finance, Lecture Notes, HSG.

Shefrin, Hersh (2010): "Behavioralizing Finance," Foundations and Trends in Finance, 4(1-2), pp 1-184. Available at <http://ssrn.com/abstract=1597934>.

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



## Additional course information

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## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/1)

##### Examination time and form

Decentral - Oral examination (individual) (100%, 20 mins.)

##### Remark

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##### Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

##### Supplementary aids

No additional aids.

##### Examination languages

Question language: English

Answer language: English

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## Examination content

### Content

1. Classical decision making and implications
2. Behavioural models of decision
3. Behavioural portfolio selection and asset pricing
4. Applications to private banking

## Examination relevant literature

De Giorgi, Enrico (2018): Theoretical Behavioural Finance, Lecture Notes, HSG.



### Please note

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc. When will the fact sheets become binding?

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 23 August 2018
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 15 October 2018
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 05 November 2018

Please look at the fact sheet once more after these deadlines have expired.