



## Course and Examination Fact Sheet: Autumn Semester 2019

### 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 (2019): 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 (2019): Theoretical Behavioural Finance, Lecture Notes, HSG.



### Please note

Please note that this fact sheet alone is binding and has priority over any other information such as StudyNet (Canvas), personal databases or faculty members' websites and information provided in their lectures, etc.

Any possible references and links within the fact sheet to information provided by third parties are merely supplementary and informative in nature and are outside the University of St.Gallen's scope of responsibility and guarantee.

Documents and materials that have been submitted no later than the end of term time (CW51) are relevant to central examinations.

Binding nature of the fact sheet:

- Information about courses and examination time (central/decentral) and examination type starting from the beginning of the bidding on 22 August 2019
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for decentral examinations after the 4th semester week on 14 October 2019
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for central examinations as from the starting date for examination registration on 4 November 2019

Please consult the fact sheet again after these deadlines have expired.