



Course and Examination Fact Sheet: Spring Semester 2019

8,600: Geschichte/History: History of Finance

ECTS credits: 3

Overview examination/s

(binding regulations see below)

Decentral - examination paper written at home (individual) (60%)

Decentral - Presentation (individual) (30%)

Decentral - Presentation (individual) (10%)

Attached courses

Timetable -- Language -- Lecturer

[8,600,1.00 Geschichte/History: History of Finance](#) -- Englisch -- [Biener Christian](#)

Course information

Course prerequisites

The course has a focus on the antecedents of financial crises from a behavioral perspective. Apart from a working knowledge of finance and economics, the course assumes little prior knowledge of financial history and behavioral economics, although a background in these fields will be an advantage.

Course content

Financial markets are not merely prone to crises, but also shaped by them in many important ways. The outbreak of the US sub-prime mortgage crisis and subsequent European sovereign debt crisis has - again - thrived academic interest in the history of financial turbulence. Causes and consequences of historical crises as well as the impact of policy and economic responses are of significant importance today as they show how aspects of today's financial system originated.

The aim of this course is to develop a profound understanding of the conditions under which financial crises evolved and the conditions under which particular policy responses were successful or failed. We will study episodes of financial turbulence spanning five centuries ranging from the Dutch tulip mania of the late 17th century to the US sub-prime mortgage and the European sovereign debt crisis in the early 21st century.

A particular focus of this course is the application of novel economic concepts to explaining stakeholder behavior that led to historical crises. In particular, behavioral economics and finance offers a variety of novel explanations as to the roots of boom and bust in financial markets.

By the end of the course, students should be familiar with:

- The basic etiology of different financial crises including their main causes and consequences as well as the main facts surrounding those crises.
- Basic ideas and concepts of behavioral economics relevant to explaining financial crises.
- Ways to apply the understanding of financial history to form own and original beliefs about contemporary crises and the way they are tackled in political discourse and policy-making.

Course structure

Students will be assigned one episode of financial turbulence (e.g., Dutch tulip mania of the late 17th century) to work on. The allocation of topics will be based on individual students' preferences stated after the first class, where a complete list of topics will be provided. All students are expected to individually hand in a 10-page seminar paper on their assigned topic.

During a block seminar, students are expected to present their seminar paper and also act as a discussant of another student's paper. Each author and discussant presentation is followed by a general discussion of the seminar paper.



Course deadlines (e.g., for submission of seminar papers and presentations) as well as options of exchange with the lecturer will be announced in the first seminar session.

Contextual Studies are considered part of **Contact Learning**; thus, taking part properly implies **regular attendance**. It is the students' own responsibility to ensure that there is **no timetable clash** between the courses they have chosen.

Course literature

A complete list of readings will be provided in the first seminar session. Some selected key texts are listed as follows:

- Akerlof, 2002, Behavioral Macroeconomics and Macroeconomic Behavior, *American Economic Review*, 92(3):411-433.
- Garber, P. M., 1990, Famous First Bubbles, *Journal of Economic Perspectives*, 4(2): 35-54.
- Garber, P. M., 1989, Tulipmania, *Journal of Political Economy*, 97(3): 535-560.
- Patel, J., R. Zeckhauser, and D. Hendricks, 1991, The Rationality Struggle: Illustrations from Financial Markets, *American Economic Review*, 81(2): 232-236.
- Shiller, R. J., 2003, From Efficient Markets Theory to Behavioral Finance, *Journal of Economic Perspectives*, 17(1): 83-104.

Additional course information

PD Dr. Christian Biener is an applied empirical and behavioral economist at the Institute of Insurance Economics of the University of St. Gallen (Switzerland). His main fields of research include risk and ambiguity preferences, information asymmetries, insurance choices, microinsurance, pro-social preferences, risk modeling, cyber risk, and issues of firm performance and regulation. He received his doctoral degree (summa cum laude) in 2011 from the University of Ulm (Germany) and his *venia legendi* in finance from the University of St. Gallen in 2017.

Examination information

Examination sub part/s

1. Examination sub part (1/3)

Examination time and form

Decentral - examination paper written at home (individual) (60%)

Remark

10-page seminar paper

Examination-aid rule

Term papers

- Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship.
- The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the APA or MLA standards. The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into the text in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C. (2017), *Lern- und Arbeitsstrategien* (12th ed., Cornelsen Schweiz).
- For any work written at the HSG, the indication of the page numbers both according to the MLA and the APA standard is never optional.
- Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.
- For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGORÉK R. et SCHINDLER B. (2018), *Juristisches Arbeiten: Eine Anleitung für Studierende* (6. Auflage), Zürich: Schulthess, or the recommendations of the Law School).

Supplementary aids



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Examination languages

Question language: English

Answer language: English

2. Examination sub part (2/3)

Examination time and form

Decentral - Presentation (individual) (30%)

Remark

Presentation of own seminar paper

Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

3. Examination sub part (3/3)

Examination time and form

Decentral - Presentation (individual) (10%)

Remark

Discussion of another student's seminar paper

Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

Examination content

All students are expected to individually prepare a 10-page seminar paper (papers are expected to not exceed 25,000 characters excluding blanks, references, and directories). Furthermore, students are expected to present their seminar paper and also act as a discussant of another student's paper.

Examination relevant literature

A complete list of readings will be provided in the first seminar session.



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 24 January 2019
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 18 March 2019
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 08 April 2019

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