

## BEHAVIORAL FINANCE

### (1) GENERAL

<b>SCHOOL</b>	School of Economic Sciences		
<b>ACADEMIC UNIT</b>	Accounting & Finance		
<b>LEVEL OF STUDIES</b>	Undergraduate		
<b>COURSE CODE</b>	AF804	<b>SEMESTER</b>	8o
<b>COURSE TITLE</b>	BEHAVIORAL FINANCE		
<b>INDEPENDENT TEACHING ACTIVITIES</b> <i>if credits are awarded for separate components of the course, e.g. lectures, laboratory exercises, etc. If the credits are awarded for the whole of the course, give the weekly teaching hours and the total credits</i>		<b>WEEKLY TEACHING HOURS</b>	<b>CREDITS</b>
		3	5
<i>Add rows if necessary. The organisation of teaching and the teaching methods used are described in detail at (d).</i>			
<b>COURSE TYPE</b> <i>general background, special background, specialised general knowledge, skills development</i>	Specialised general knowledge		
<b>PREREQUISITE COURSES:</b>			
<b>LANGUAGE OF INSTRUCTION and EXAMINATIONS:</b>	GREEK		
<b>IS THE COURSE OFFERED TO ERASMUS STUDENTS</b>	NO		
<b>COURSE WEBSITE (URL)</b>	<a href="https://eclass.uowm.gr/courses/ACCFIN137/">https://eclass.uowm.gr/courses/ACCFIN137/</a>		

### (2) LEARNING OUTCOMES

<p><b>Learning outcomes</b></p> <p><i>The course learning outcomes, specific knowledge, skills and competences of an appropriate level, which the students will acquire with the successful completion of the course are described.</i></p> <p><i>Consult Appendix A</i></p> <ul style="list-style-type: none"> <li>• <i>Description of the level of learning outcomes for each qualifications cycle, according to the Qualifications Framework of the European Higher Education Area</i></li> <li>• <i>Descriptors for Levels 6, 7 &amp; 8 of the European Qualifications Framework for Lifelong Learning and Appendix B</i></li> <li>• <i>Guidelines for writing Learning Outcomes</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Investments in general</i></li> <li>• <i>Stock market, stock market investment process</i></li> <li>• <i>Investors and rational judgment</i></li> <li>• <i>Efficient Market and efficient stock market</i></li> <li>• <i>From traditional economic theory to behavioral finance</i></li> <li>• <i>Cognitive errors and emotional errors</i></li> <li>• <i>Mental Accounting</i></li> <li>• <i>Over-confidence</i></li> <li>• <i>Representativeness</i></li> <li>• <i>Framing</i></li> <li>• <i>Anchoring</i></li> <li>• <i>Loss of Aversion</i></li> </ul>

- *Herding*
- *Behavioral Finance as a new model of economic theory*

#### **General Competences**

*Taking into consideration the general competences that the degree-holder must acquire (as these appear in the Diploma Supplement and appear below), at which of the following does the course aim?*

<i>Search for, analysis and synthesis of data and information, with the use of the necessary technology</i>	<i>Project planning and management</i>
<i>Adapting to new situations</i>	<i>Respect for difference and multiculturalism</i>
<i>Decision-making</i>	<i>Respect for the natural environment</i>
<i>Working independently</i>	<i>Showing social, professional and ethical responsibility and sensitivity to gender issues</i>
<i>Team work</i>	<i>Criticism and self-criticism</i>
<i>Working in an international environment</i>	<i>Production of free, creative and inductive thinking</i>
<i>Working in an interdisciplinary environment</i>	<i>.....</i>
<i>Production of new research ideas</i>	<i>Others...</i>
	<i>.....</i>

### **(3) SYLLABUS**

*The dominant investment theory until the mid '90s, the Efficient Market Hypothesis, was considered the cornerstone of people's investment behavior.*

*According to the specific hypothesis, the people involved in investment process are driven by rational behavior, are dissociated from emotions and biases, and information is always available to the investing public, without affecting the progress of investment tools. In addition, earlier and new information are not particularly essential and are incorporated in stock prices.*

*Its rigid approach as well as the weaknesses and deficiencies characteristic of the Efficient Market Hypothesis caused the emergence and establishment of an alternative economic model, Behavioral Finance.*

*Investor rational behavior and efficient markets contradict investor psychology, subjective rules of behavior and long-term return anomalies. Information incorporation and the balancing approach used by speculation processes are challenged by the inefficient access to investment information and long-term imbalances in investing practices.*

*Behavioral Finance combines economics with psychology and draws information from other disciplines (sociology, history, anthropology) to interpret the behavior of individuals who are required to take investment decisions. The new financial paradigm is a theoretical transcending model which does not treat investors as an army of rational individuals, but as people with weaknesses, biases and non-rational behavior which interprets long-term inefficient markets.*

#### (4) TEACHING and LEARNING METHODS - EVALUATION

<p><b>DELIVERY</b> <i>Face-to-face, Distance learning, etc.</i></p>	Face to face	
<p><b>USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY</b> <i>Use of ICT in teaching, laboratory education, communication with students</i></p>	Use of media and Power point	
<p><b>TEACHING METHODS</b> <i>The manner and methods of teaching are described in detail. Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, placements, clinical practice, art workshop, interactive teaching, educational visits, project, essay writing, artistic creativity, etc.</i></p> <p><i>The student's study hours for each learning activity are given as well as the hours of non-directed study according to the principles of the ECTS</i></p>	<p><b>Activity</b></p>	<p><b>Semester workload</b></p>
	Lectures/Seminars theoretical part of the course	50
	Exercises Practice	30
	25 hours of workload per credit unit	
	Course total	<b>125</b>
<p><b>STUDENT PERFORMANCE EVALUATION</b> <i>Description of the evaluation procedure</i></p> <p><i>Language of evaluation, methods of evaluation, summative or conclusive, multiple choice questionnaires, short-answer questions, open-ended questions, problem solving, written work, essay/report, oral examination, public presentation, laboratory work, clinical examination of patient, art interpretation, other</i></p> <p><i>Specifically-defined evaluation criteria are given, and if and where they are accessible to students.</i></p>	<p>Final Exam (written test)</p> <p>Midterm Exam (written test)</p>	

#### (5) SUGGESTED BIBLIOGRAPHY

- Book [23013]: Behavioral finance, Alexakis Christos A., Xanthakis Manolis
- Book [94644766]: Introduction to Behavioral Finance, Spyrou Spyros