

**SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE
(AUTONOMOUS)**



BOARD OF STUDIES: ACCOUNTANCY & FINANCE

PROGRAMME: B.COM (Management studies)

SEMESTER: III

NOMENCLATURE OF THE COURSE: Behavioural Finance

NEP Vertical: VSC

Credit: 2

(As Per Choice Based Credit System (under NEP 2020) with effect from the academic year 2025-26)



| | |
|-----------------------------------|----------------------------------|
| Programme: | B.COM(Management studies) |
| Nomenclature of the Course | Behavioural Finance |
| Total Marks | 50 marks |
| Semester: | III |
| Academic year | 2025-26 |

LEARNING OBJECTIVES:

- To understand the fundamentals of behavioural finance.
- To identify and analyse cognitive biases and heuristics.
- To examine market anomalies and behavioural effect.
- To enable them to understand the applications of behavioural finance in personal finance and corporate decision-making.

COURSE OUTCOMES:

- Learners will be able to understand key behavioural finance concepts and theories.
- Learners will be able to analyse the impact of cognitive biases and heuristics on investment decisions.
- Learners will be able to examine market inefficiencies and anomalies.
- Learn applications of behavioural finance in personal finance and corporate decision-making.

| Unit | Course Content | Andragogy | No of Lectures |
|-------------|--|-------------------------------------|-----------------------|
| 1 | <p>Foundations of Finance</p> <ul style="list-style-type: none"> • Nature, Scope, Significance of behavioural finance • Traditional finance vs Behavioural finance Market strategies, Risk attitude, Building blocks. • Expected utility theory. <p>Prospect theory</p> <ul style="list-style-type: none"> • Prospect theory • Framing and mental accounting • Rationality in investment decision | Live case studies Group projects | 10 |
| 2 | <p>Emotional influences on financial decisions:</p> <ul style="list-style-type: none"> • Role of emotions on financial market, Overconfidence, Fear and greed in investment decisions, Emotions and financial markets, Investor sentiments and market trends <p>Market Anomalies and inefficiencies:</p> <ul style="list-style-type: none"> • Market anomalies • Overreaction and under reaction in stock market <p>Applications in Personal Finance:</p> <ul style="list-style-type: none"> • Behavioural Insights for Savings & spending habits, Retirement Planning & Behavioural Interventions. | Role playing | 20 |

SUGGESTED READINGS

1. Parikh, P. (2011). Value Investing and Behavioral Finance: Insights into Indian Stock Market Realities. McGraw Hill Education India.
2. Bansal, R. (2019). Investonomy: The Stock Market Guide That Makes You Rich. CNBC TV18.
3. Singh, R. (2019). Security Analysis and Portfolio Management (Including Behavioral Finance). Pearson India.
4. Chandra, P. (2020). Behavioral Finance and Investment Management: Text and Cases. McGraw Hill India.
5. Suresh, P. (2013). Behavioral Finance: A Novel Approach. Wiley India.
6. Kahneman, D. (2011). Thinking, Fast and Slow. Farrar, Straus, and Giroux.
7. Thaler, R. H. (2015). Misbehaving: The Making of Behavioral Economics. W.W. Norton & Company.
8. Thaler, R. H., & Sunstein, C. R. (2008). Nudge: Improving Decisions About Health, Wealth, and Happiness. Yale University Press.
9. Shefrin, H. (2000). Beyond Greed and Fear: Understanding Behavioral Finance and the Psychology of Investing. Harvard Business School Press.

QUESTION PAPER PATTERN

(A) RUBRICS FOR CONTINUOUS EVALUATION

| Sr No. | Examination Method | Marks |
|--------|-------------------------|-----------|
| 1 | Assignment/Project | 10 |
| 2 | Presentation/ Viva-Voce | 10 |
| | Total | 20 |

(B) QUESTION PAPER PATTERN FOR SEMESTER END EXAMINATION

| Question No. | Description | Total Marks |
|--------------|--------------------------------------|-------------|
| 1 | Practical Problem/Theory question | 12 |
| 2 | C. Practical Problem/Theory question | 12 |
| | D. Practical Problem/Theory question | |
| 3 | Short Notes(Any 2 out of 3) | 6 |
| | Total | 30 |

Note: The practical problem/Theory question of 12marks each may be split up into two smaller problems/questions carrying 6 marks each.