



AYDIN ADNAN MENDERES UNIVERSITY COURSE INFORMATION FORM

Course Title		Behavioral Finance							
Course Code		UTİ307		Course Level		First Cycle (Bachelor's Degree)			
ECTS Credit	6	Workload	150 (<i>Hours</i>)	Theory	3	Practice	0	Laboratory	0
Objectives of the Course		The aim of this course is to enable students to learn the psychological basics of financial decision making and discuss the effects of these fundamentals on financial decision makers and asset pricing in detail. Topics to be discussed include expected benefit theory, reduced benefit theory, rational learning, balloons, noise trade, over-trust hypothesis and over-optimism, under-under-response, over-reaction and behavioral corporate finance.							
Course Content		1. Students will use the basic concepts of behavioral finance in financial decision making. 2. Students will explain the effects of personal behavior on investment decisions. 3. Students will evaluate the effect of investors' psychology on risk tolerances. 4. Students will evaluate balloons and behavioral criteria. 5. Students will examine the effect of investors' philological profiles on individual investment behavior. 6. Students will explain the main concepts and topics in behavioral finance.							
Work Placement		N/A							
Planned Learning Activities and Teaching Methods				Explanation (Presentation), Discussion, Individual Study					
Name of Lecturer(s)		Lec. Zeliha CAN ERGÜN							

Assessment Methods and Criteria

Method	Quantity	Percentage (%)
Midterm Examination	1	40
Final Examination	1	70

Recommended or Required Reading

1	Murat Kıyılar ve Murat Akkaya (2020). Davranışsal Finans. Literatür Yayınları.
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Week	Weekly Detailed Course Contents	
1	Theoretical	Introduction
2	Theoretical	Finance, Risk and Uncertainty, Rationality
3	Theoretical	Financial Decision Making, Investment Decisions and Finance Theories
4	Theoretical	Financial Decision Making, Investment Decisions and Finance Theories
5	Theoretical	Behavioral Finance against Classical Finance
6	Theoretical	The Essentials of Behavioral Finance
7	Theoretical	Expectancy Theory
8	Theoretical	Anomalies, Noise and Speculation
9	Intermediate Exam	Midterm
10	Intermediate Exam	Midterm
11	Theoretical	Mental Accounting, Herd Behavior and Price Bubbles
12	Theoretical	Psychological and Cognitive Biases
13	Theoretical	Psychological and Cognitive Biases
14	Theoretical	Psychological and Cognitive Biases
15	Theoretical	Investor Psychology and Sentiment
16	Final Exam	Final

Workload Calculation

Activity	Quantity	Preparation	Duration	Total Workload
Lecture - Theory	13	0	3	39
Individual Work	13	0	4	52
Midterm Examination	1	28	1	29



Final Examination	1	29	1	30
Total Workload (Hours)				150
[Total Workload (Hours) / 25*] = ECTS				6
*25 hour workload is accepted as 1 ECTS				

Learning Outcomes

1	To be able to explain the operation of the theory of utility to evaluate risky results
2	Using discount rates depending on time or changing in asset pricing models
3	Investors understand why they may not rationally learn in accordance with Bayes theory and how this learning process affects asset pricing models
4	To be able to comment on extreme optimism, overreaction and herd behavior considering the financial balloons in history
5	To explain the role of noise traders in asset pricing

Programme Outcomes (Economics)

1	It defines and evaluates the basic economic concepts, theories, and methods.
2	It offers a basic level of policy proposals towards current economic problems.
3	It analyzes in the context of economic and social events in a historical perspective.
4	It explains the role of economic actors (such as government, company, or household) in the economy.
5	It follows national and international economic indicators and developments and it uses economic knowledge and methods in different areas.
6	It provides methods, tools and techniques necessary for the modelling and analysis of economic data and evaluates outcomes accordingly.
7	It defines economic systems, decision-making, policies and problems and it provides feedback about them.
8	It benefits from other disciplines that contribute to economic basis and holds a basic knowledge of these disciplines.
9	It explains and comments on economic growth, development and productivity problems on basic grounds.
10	It provides sufficient know-how in sub-branches such as public economics, industry, agriculture, environment and natural resources, labor, knowledge and ownership of the economy, international finance, money, in political economy and econometrics.
11	It defines and evaluates the concept of business on basic grounds.
12	It provides a sufficient level of legal know-how that may be demanded from high skill labor in both public and private sectors.
13	It defines the role of innovation, creativity and technology in the dynamic global economy.
14	It shows skills that will be useful for future employment opportunities and the working environment.
15	It considers science as a rational individual with professional and ethical responsibility.

Contribution of Learning Outcomes to Programme Outcomes 1:Very Low, 2:Low, 3:Medium, 4:High, 5:Very High

	L1	L2	L3	L4	L5
P8	3	2	3	2	3
P11	4	3	2	3	2
P13	2	2	3	2	3
P14	2	2	2	3	2

