



AYDIN ADNAN MENDERES UNIVERSITY COURSE INFORMATION FORM

Course Title		Behavioral Finance							
Course Code		ISL434		Course Level		First Cycle (Bachelor's Degree)			
ECTS Credit	5	Workload	127 (<i>Hours</i>)	Theory	3	Practice	0	Laboratory	0
Objectives of the Course		Explicating the psychological decision making based on investments in the context of corporate finance and capital markets							
Course Content		Game Theory, Expected Utility Theory , active-market hypothesis, portfolio theory, Capital Asset Pricing Model, Arbitrage Pricing Theory, occurrence of Behavioral Finance, Expectation Theory, Fundamentals of expectation theory, the process of expectation theory, Structural characteristics of behavioral finance .							
Work Placement		N/A							
Planned Learning Activities and Teaching Methods				Explanation (Presentation), Discussion					
Name of Lecturer(s)									

Prerequisites & Co-requisites

ECTS Requisite	120
----------------	-----

Assessment Methods and Criteria

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

Recommended or Required Reading

1	Ekrem TUFAN, Davranışsal Finans, İmaj Yayıncılık
---	--

Week	Weekly Detailed Course Contents	
1	Theoretical	Differences and similarities between empirical and behavioral finance (rationality, EMH...)
2	Theoretical	Basic concepts and theories I (Heuristics, Biases, Loss aversion, Risk perception)
3	Theoretical	Basic concepts and theories II (Cognitive / Emotional Approaches, Individual / Group Behaviors)
4	Theoretical	Prospect Theory
5	Theoretical	Irrational Investor Approaches (Limits of Arbitrage)
6	Theoretical	Investment and Financial Planning Approaches (Ethic-Based Investing, Portfolio allocation decisions)
7	Theoretical	Behavioral outlook in terms of company and market efficiency I (Nudging, Financial scandals, corporate social responsibility)
8	Theoretical	Midterm
9	Theoretical	Behavioral outlook in terms of company and market efficiency II (Overreaction - Underreactin, Anomalies, Bubbles)
10	Theoretical	Behavioral corporate finance ve managerial decision making I (market capitalization related decisions)
11	Theoretical	Behavioral corporate finance ve managerial decision making I (market capitalization related decisions)
12	Theoretical	Financial literacy and customer management
13	Theoretical	Financial literacy and customer management
14	Theoretical	Behavioral corporate finance ve managerial decision making I (market capitalization related decisions)
15	Theoretical	Behavioral corporate finance ve managerial decision making I (market capitalization related decisions)
16	Final Exam	Final Exams
17	Theoretical	Final Exams

Workload Calculation

Activity	Quantity	Preparation	Duration	Total Workload
Lecture - Theory	14	2	3	70



Midterm Examination	1	25	1	26
Final Examination	1	30	1	31
Total Workload (Hours)				127
[Total Workload (Hours) / 25*] = ECTS				5
*25 hour workload is accepted as 1 ECTS				

Learning Outcomes

1	Apply the mathematics, science and social knowledges into business problems
2	emonstrate a basic level of understanding in related sciences (such as economics, sociology, psychology, quantitative sciences, etc.) that serve basis for business, and will be able to make use and apply them into the field of business.
3	Giving detailed psychological infrastructure of decisions taken in financial markets
4	Learning the behavior of customers in financial markets
5	Estimating and Modeling the Behavior of Customers Trading in Financial Markets

Programme Outcomes (International Trade and Finance)

1	To become individuals having high intellectual capacity, improved social skills, positive thinking, the ability to adapt to different environments and institutions
2	To have technical equipment, flexible thinking and action ability and multiple language skills to be capable of working in international platforms
3	To be able to utilize the basic knowledge they obtained with an interdisciplinary approach to business, economics, etc. in creating expertise in the fields of International Trade and Finance in accordance with the requirements of the globalized business world
4	To develop suggested solutions and recommendations by informing the people and institutions predicting regional, national and international problems in the fields of international trade and finance with a proactive approach
5	To possess the ability of analytical thinking and the ability to synthesize with quantitative proficiency as required in the program
6	To have the characteristics to inquire and investigate the knowledge and skills acquired during the education process in relation to the requirements of existing market conditions
7	To identify and analyze the validity of theories related to the international trade and finance and their relationships regarding current conditions
8	To possess the knowledge of a second foreign language to the extent of their individual abilities, besides the competency in the English language to be able to communicate effectively
9	To have the qualifications of managing and being managed to solve existing and potential problems encountered in practice
10	To be able to organize activities that will contribute to the personal and professional development of the employees in the department where he/she holds an executive position

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

	L1	L2	L3	L4	L5
P1	4	4	5	3	4
P2	3	4	5	3	4
P3	4	4	5	5	5
P4	4	4	4	3	5
P5	4	5	4	4	5
P6	4	4	4	4	5
P7	5	4	5	4	5
P8	3	5	5	4	5
P9	5	5	5	5	4
P10	4	4	4	5	3

