1. **Title of the module**

BUSN7680 (CB768): Behavioural Finance

1. **School or partner institution which will be responsible for management of the module**

Kent Business School

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 6

1. **The number of credits and the ECTS value which the module represents**

15 Credits (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Autumn

1. **Prerequisite and co-requisite modules**

Co-requisite: BUSN7720 Portfolio Management

1. **The programmes of study to which the module contributes**

BSc (Hons) Finance and Investment with a Year in Industry

1. **The intended subject specific learning outcomes.
On successfully completing the module students will be able to:**

8.1. Demonstrate an understanding of the key theoretical and empirical literature in behavioural finance.

8.2. Critically evaluate behavioural explanations for anomalies that exist in the financial markets.

8.3. Critically analyse, compare and discuss financial theories.

8.4. Provide an alternative perspective to traditional finance theory.

8.5. Demonstrate an understanding of implications and limitations of behavioural finance.

1. **The intended generic learning outcomes.
On successfully completing the module students will be able to:**

9.1. Critically evaluate arguments and assumptions, and make judgements to offer alternative solutions.

9.2. Develop, analyse and synthesise complex material relevant to financial issues.

9.3. Plan work, use relevant sources and study independently.

9.4. Effectively communicate information, ideas, and solutions to both specialist and non-specialist audiences.

1. **A synopsis of the curriculum**

The module introduces behavioural finance as an approach to explain the decisions and behaviour that take place within financial markets through psychological theory and evidence. The module will discuss the theoretical and empirical limitations of traditional finance theory and introduce the foundations of behavioural finance. The module will examine behavioural explanations for anomalies that exist in the financial markets and students will gain an understanding of the inherent implications, in addition to limitations of behavioural finance. The module will examine the theory and evidence on Efficient Market Hypothesis, evidence of inefficiency, and will cover psychological research.

Topics will include:

* The efficient Market Hypothesis: Theory and evidence
* Issues surrounding finance theories
* Behavioural explanations for anomalies
* Bubbles, herding, momentum
* Investor sentiment: Over and under reaction
* Limits to arbitrage, evidence of inefficiency
* Prospect theory
1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**
* Ackert, L.F. and Deaves, R. (2009). B*ehavioural Finance: Psychology, Decision-Making and Markets*. Independence, KY: South-Western Cengage Learning. ISBN-10: 0324661177. ISBN-13: 9780324661170
* Forber W. 2009. *Behavioural Finance*. Chichester: John Wiley & Sons. ISBN 9780470028049
* Shleifer, A. (2000). *Inefficient Markets: An introduction to Behavioural Finance*. Oxford: Oxford University Press. ISBN: 9780198292272
1. **Learning and teaching methods**

The module will be taught by lectures, seminars and private study.

Total Contact Hours: 33

Private Study Hours: 117

1. **Assessment methods**
	1. Main assessment methods

Individual Essay- 2000 words: 30%

Examination – two-hour, closed book, unseen: 70%

* 1. Reassessment methods

Reassessment will be on a like-for-like basis.

1. **Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** |  | *8.1* | *8.2* | *8.3* | *8.4* | *8.5* | *9.1* | *9.2* | *9.3* | *9.4* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |  |  |
| **Private Study** |  | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| *Lecture* |  | **x** | **x** | **x** | **x** | **x** |  |  |  |  |
| *Seminar* |  | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| **Assessment method** |  |  |  |  |  |  |  |  |  |  |
| *Individual Essay (2000 words)* | *30%* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| Examination – two-hour, unseen | *70%* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |

1. **Inclusive module design**

The School recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

Medway

1. **Internationalisation**

Internationalisation will be incorporated in the lectures notes and seminar questions when examining international empirical studies in particular when looking at anomalies in the financial markets.

**FACULTIES SUPPORT OFFICE USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

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| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
| 22/01/2018 | n/a | September 2021 | n/a | No |
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