



Program	Master of Business Administration (MBA)	Semester - 3
Type of Course	Minor	
Prerequisite		
Rationale	-	
Effective From A.Y.	2024-25	

Teaching Scheme (Contact Hours)				Examination Scheme				
Lecture	Tutorial	Lab	Credit	Theory Marks		Practical Marks		Total Marks
				T	T	P	P	
4	-	-	4	50	30	-	-	150

SEE - Semester End Examination, T - Internal Theory, P - Internal Practical

Course Content		T - Teaching Hours W - Weightage	
Sr.	Topics	T	W
1	Introduction Brief overview of rational finance and classical finance theories: Rise of the rational market hypothesis· Brief overview of classical finance theories: o Expected utility theory o Modern portfolio theory o Capital Asset Pricing model o Efficient market hypothesis o MM theory – investors are rational o Arbitrage pricing theory o Random walk hypothesis Challenging the classical assumptions of finance· Financial market anomalies· o Fundamental anomalies o Technical anomalies o Calendar or seasonal anomalies	15	25
2	Behavioural Finance Introduction, meaning, nature· Assumptions of behavioural finance· Meaning of heuristics and bias· Building blocks of behavioural finance· Prospect theory and mental accounting·	15	25
3	Theories of Behavioural Finance : Asymmetric information· Ego centricty· Human Behavioral Theories· Heuristics: Familiarity· o Familiarity, Ambiguity Aversion o Diversification, Functional Fixation o Status Quo, Endowment Effect Representativeness· Innumeracy§ Probability matching and conjunction fallacy§ Base Rate Neglect§ Availability and Saliences§ Anchoring· Cognitive Biases: Self-Deception· o Framing o Overconfidence Miscalibration, better than average effect, overoptimism§ Causes: illusion of knowledge, control,§ understanding, skill o Self-attribution o Confirmation o Representativeness o Recency Emotional Biases: Regret· Hindsight· Denial· Loss aversion· Affinity· Self-control· Bias: Interaction amongst biases· Outcomes of biases· Dealing with biases· Overcoming the biases and debiasing·	15	25
4	Neurofinance Neural processes during financial decision making· Future of Neurofinance· Adaptive Market Hypothesis· Forensic Accounting: Classifications of fraud· Behavioural aspects of Fraud· Origin and growth of forensic accounting· Fraud theories· o Motivators of fraud o Triangle of fraud action o Fraud Scale and Fraud Diamond o MICE Tools in Forensic Accounting· o Ratio analysis o Data mining o Benford's Law (specific to forensic accounting) Forensic Accounting in India	15	25
Total		60	100

Suggested Distribution Of Theory Marks Using Bloom's Taxonomy

Level	Understanding	Application	Analyze	Evaluate
Weightage	25	25	25	25

NOTE : This specification table shall be treated as a general guideline for the students and the teachers. The actual distribution of marks in the question paper may vary slightly from above table.



Course Outcomes

At the end of this course, students will be able to:

CO1	Discriminate between a behavioural finance perspective and a traditional finance perspective.
CO2	Demonstrate how heuristics and biases influence investor behaviour
CO3	Measure the influence of behavioural biases on individual investment decision making
CO4	Critically discuss global developments in this domain and the associated practical insights they provide.

CO PO Mapping

CO	CO - 1	CO - 2	CO - 3	CO - 4
PO - 1	3	3	1	1
PO - 2	2	1	2	2
PO - 3	3	1	2	0
PO - 4	1	2	0	1
PO - 5	1	0	2	2

Reference Books

1.	Behavioral Finance (TextBook) By Prasanna Chandra McGraw Hill Publication Latest Edition
2.	Behavioral Finance By Williams Forbes Wiley Publication Latest Edition
3.	Behavioral Finance By M. M. Sulphay PHI Publication Latest Edition