



LUDWIG-
MAXIMILIANS-
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MÜNCHEN

FAKULTÄT FÜR BETRIEBSWIRTSCHAFT
**MUNICH SCHOOL OF
MANAGEMENT** **KMF**



INSTITUT FÜR KAPITALMÄRKTE UND FINANZWIRTSCHAFT (KMF)
INSTITUTE FOR CAPITAL MARKETS AND CORPORATE FINANCE

Behavioral Finance

Winter Semester 2024/2025

Course instructors & organization

Course instructors: **Prof. Dr. Markus Glaser** (Lecture)
Mennatallah Balbaa (Lecture & Tutorial)
Tobias Baldauf (Tutorial)

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The course will be taught on-site and only the content discussed there will be relevant for the exam.

The course material is available online via LSF ([Link Lecture](#), [Link Tutorial](#)) as well as via Moodle ([Link](#), Password: **F!nANce24**). Additionally, we offer the opportunity to ask questions and communicate with fellow students via our Moodle forum. We recommend all students to enroll in our Moodle course.

All lectures and tutorials will take place **at Prof-Huber-Pl. 2, Lehturm, Room W401**. The first lecture is going to take place on **14.10.2024 from 14:15 – 15:45**. A schedule with the exact dates of the following lectures and tutorials will be uploaded shortly after the first lecture.

Course Overview

The goal of this course is to provide an introduction to Behavioral Finance. We start with an overview of classical paradigms of decision-making of individual investors and other participants in financial markets. We then link individual behavior to market anomalies, describe and explain market inefficiencies as well as potential trading strategies, and discuss psychological biases and other limitations of investors that might generate those anomalies. In the last part, the course deals with behavioral aspects of corporate finance.

The aim of the course is to provide students with knowledge of the main concepts, methods, and empirical findings of Behavioral Finance. Thereby, the course covers theoretical, empirical, and experimental research as well as recent applications in practice.

The tutorials accompany the lectures in Behavioral Finance.

The following topics will be covered in the lectures:

- Introduction to Behavioral Finance
- Market Participants: Judgment Biases
- Market Participants: Purchasing and Selling Decisions
- Market Participants: Analysts
- Linking Individual Investment Behavior and Market Anomalies
- Markets: Efficiency and Limits to Arbitrage
- Markets: Cross Section Predictability
- Behavioral Corporate Finance
- Sustainable Finance (Slides will be uploaded)
- Mock Exam Questions (will be uploaded) and Q&A

Time & Place Lecture:

Lecture	Date	Location
1	14.10. 14:15 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
2	21.10. 14:00 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
3	28.10. 14:00 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
4	04.11. 14:00 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
5	11.11. 14:00 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
6	18.11. 14:00 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
7	25.11. 14:00 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
8	02.12. 14:15 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
9	09.12. 14:15 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
10	16.12. 14:15 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
No lecture on 23.12. (done already; six times 15 minutes longer starting on Monday, 21.10.)		
11	13.01. 14:15 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
12	20.01. 14:15 – 15:45	Prof-Huber-Pl. 2, Lehrturm, Room W401

Time & Place Tutorial:

Tutorial	Date	Location
1	30.10. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
2	06.11. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
3	13.11. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
4	20.11. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
5	27.11. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
6	04.12. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
7	11.12. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
8	08.01. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
Mock Exam	15.01. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401
Q&A	22.01. 10:15 – 11:45	Prof-Huber-Pl. 2, Lehrturm, Room W401

Exam

Upon successful completion of this course students receive 6 ECTS points. The exam will take place on the 3rd of February, 2025 (Monday) between 1-3 p.m. **To participate in the exam students are required to register for the examination via LSF (see ISC: [Link](#)).**

Literature

As basic literature it is suggested to read the following essays:

- Glaser/Nöth/Weber (2004): **Behavioral Finance**, in: Blackwell Handbook of Judgment and Decision Making, Chap. 26, 527-546.
- Barberis/Thaler (2003): **A Survey of Behavioral Finance**, in: Handbook of the Economics of Finance, Chap. 18, 1054-1123.
- Barber/Odean (2013): **The Behavior of Individual Investors**, in: Handbook of the Economics of Finance, Chap. 22, 1533-1570.