



DESCRIPTION OF STUDY COURSE

Course unit title	Behavioral Finance	
Programme	Bachelor International Finance	
Year of study	3rd year	
Academic year	2022./2023.	
Level of course unit (e.g. first, second or third cycle)	First, Bachelor's study	
Course unit code	BFa037	
Name of lecturer(s)	Ilja Arefjevs	
Credit points	2 CP	
Number of ECTS allocated	3 ECTS 2 Latvian credit points are multiplied by 1,5 to get ECTS	
Language of instruction	English	
Type of course unit (compulsory, optional)	compulsory	
Semester when the course unit is delivered	6	
Mode of delivery	Face-to-face	
Aim of Course	The aim of the course is to reveal the basic concepts of behavioral finance discipline and understand its applications in business and finance.	
Preliminary knowledge (prerequisites and co-requisites)	Microeconomics, Macroeconomics, Corporate Financial Management, Financial Markets, Statistika	
Course contents	<ol style="list-style-type: none"> 1. Decision making 2. Utility 3. Arbitrage 4. Cognitive biases 5. Prospect theory 6. Investor behavior 7. Behavioral corporate finance 	
Planned learning activities and teaching methods	Student attends lectures and seminars, presents individual work. Total evaluation of the course consists of 20% active participation in lectures and seminars; 60% independent work and its presentation; 20% written exam at the end of the course.	
	Teaching methods	Student work load (1 CP = 40 hours of student work)
	Lectures	20%
	Practical works	30%
	Work at the library, independent studies	50%
	Total 80 hours	
Learning outcomes of the course unit	After the course students should be able to: <ol style="list-style-type: none"> 1. Understand main theories of decision-making. 	



	2. Understand application of psychology into decision-making. 3. Ability to apply behavioral models in business and finance.				
Assessment methods and criteria	Study outcomes		1.	2.	3.
	The form of assessment				
	In-class practical works and experiments		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Individual work and its presentation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Written exam		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommended or required reading	Required literature: 1. Baker, H.K., Nofsinger, J.R., Behavioral Finance: Investors, Corporations, and Markets, Kolb R.W.Series, 2010 Recommended literature: 1. Behavioral Finance: Understanding the Social, Cognitive, and Economic Debates ,Wiley Finance, 2013 2. Behavioral Finance and Wealth Management: How to Build Optimal Portfolios That Account for Investor Biases, Wiley Finance, 2012.				
Recommended optional programme components	To be agreed at the start of the course.				