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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **Ph.D. Course Work End Term Examinations –JAN-FEB 2025** |
| **Date:** 30 – 01- 2025 **Time:**09:30 am – 12:30 pm |

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| **School:** SOM | **Program:** Ph.D. | |
| **Course Code :**MGT908 | **Course Name** : Behavioural Finance | |
| **Semester**: | **Max Marks**: 100 | **Weightage**: 50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** |
| **Marks** | **20** | **20** | **30** | **30** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Answer ALL the Questions. Each question carries 10 marks. 6Q x 10M=60Marks** | | | | |
| **1** | Define behavioral finance and explain how it differs from traditional finance theories. | **10 Marks** | **Applying** | **CO1** |
| **2** | What is overconfidence bias, and how does it influence investors' behavior in financial markets? | **10 Marks** | **Applying** | **CO1** |
| **3** | How does fear and greed drive market bubbles and crashes? Use historical examples to illustrate. | **10 Marks** | **Analyzing** | **CO2** |
| **4** | Explain the January effect and discuss whether it aligns with the efficient market hypothesis | **10 Marks** | **Analyzing** | **CO2** |
| **5** | How does mental accounting affect an investor's asset allocation decisions? | **10 Marks** | **Analyzing** | **CO3** |
| **6** | Discuss how behavioral finance principles can help in designing better retirement plans | **10 Marks** | **Analyzing** | **CO4** |

**Part B**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Answer the Questions. Each question carries 20 marks 2Q x 20 = 40 Marks** | | | | | | |
| **7.** | **a.** | Critically analyze the key differences between traditional finance theories, such as the Efficient Market Hypothesis (EMH), and behavioral finance.  Discuss how behavioral finance addresses the limitations of traditional theories with examples. | | **20 Marks** | **Evaluating** | **CO3** |
|  | | | | | | |
| **8.** |  | Compare and contrast Behavioral Portfolio Theory (BPT) with Modern Portfolio Theory (MPT).  Discuss how behavioral factors such as mental accounting and risk perception shape portfolio construction and investment strategies. | **20 Marks** | | **Analyzing** | **CO4** |

**\*\*\*\*\* BEST WISHES \*\*\*\*\***