



**JINDAL GLOBAL
BUSINESS SCHOOL**
INDIA'S FIRST MULTI-DISCIPLINARY GLOBAL BUSINESS SCHOOL



O.P. Jindal Global University
A Private University Promoting Public Service
NAAC Accreditation - 'A' Grade

Jindal Global Business School
Course Outline

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| Course Title | Behavioral Finance |
| Core or Elective | Elective |
| Program and Batch | MBA-2025, IBM-2022, IBM-2023 |
| Semester & Academic Year | Fall 2026 |
| Credits | 1.5 |
| Discipline/Area | Finance & Accounting |
| Name of the Faculty Member/Course Instructor | Dr. Vaibhav Aggarwal, CFA |
| Contact Details of the Faculty Member | vaggarwal@jgu.edu.in |
| Contact Details of Support Staff | jgbs-eo@jgu.edu.in |
| Faculty Member's Open Office Day/s & Time | 2-3 p.m. on Monday 3-4 p.m. on Thursday |

Introduction to the Course

The course has been designed to provide the students with a theoretical and practical understanding of behavioral finance. This course will leverage insights from psychology and behavioral economics within a realistic economic setting to study alternative theories of financial market behaviour.

Humans tend to make many decisions without much analysis and just by applying the rule of thumbs, e.g., what food to order? Which pen to buy? People also tend to take wrong investment decisions which are not rational but driven by cognitive or emotional biases. Why do people buy Unit Linked Insurance Plans (ULIPs), which offer poor returns instead of keeping insurance and investment separately? Why are people quick to sell the winners and keep holding on to the stocks falling below purchase prices? Why do people keep averaging falling stocks but are reluctant to average when the stock is rising? Why are people anchored to purchase price and shy from booking a loss in a falling stock due to deteriorating fundamentals?

At the end of this course, the participants should be able to reduce cognitive and emotional errors and make more rational financial choices in their daily lives.

Course Learning Objectives

At the end of the course, students should be able to

CLO1- – Explain the limitations of classical finance, the evolution of behavioral finance, and the role of psychological biases in financial decision-making.

CLO2 - Examine core concepts such as bounded rationality, prospect theory, efficient market hypothesis, and various cognitive and emotional biases affecting investment decisions.

CLO3 - Identify real-world market anomalies, behavioral biases of individual investors and portfolio managers, and their impact on asset pricing and financial markets.

CLO4 - Develop a framework to recognize, mitigate, and leverage behavioral biases to improve personal and professional financial decision-making.

Programme Competency Goals

| MBA Programme Competency Goals (PCGs) | | MBA Programme Learning Objectives (PLOs) |
|---------------------------------------|--|--|
| | | Students will be able to |
| 1 | Technological Agility: Ability to adopt relevant technologies for better business decision making. | 1. Understand relevant business technologies |
| | | 2. Understand future technologies in business domain |
| 2 | Responsible Global Citizenship: Ability to understand the interplay between local and global issues and to act with sensitivity towards ethical and social issues | 3. Understand the interplay between local and global business issues |
| | | 4. Demonstrate sensitivity towards ethical issues |
| | | 5. Demonstrate sensitivity towards social issues |
| | | 6. Address societal issues |
| 3 | Effective communication: Ability to effectively exchange ideas and information | 7. Present their ideas with clarity |
| | | 8. Prepare an organized and logical business document |
| | | 9. Use technology for effective communication |

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| 4 | Critical Thinking: Ability to identify, analyze business problems and propose effective solutions | 10. Identify main issues of business problems |
| | | 11. Examine information from different sources |
| | | 12. Draw inferences from analysis |
| | | 13. Evaluate alternatives |
| | | 14. Summarize and conclude |
| 5 | Leadership: Ability to take initiative, inspire and collaborate with others | 15. Take initiative |
| | | 16. Contribute effectively in groups |

PLO-PCG Assessments Mapping Matrix

| Program Learning Objectives (PLOs) | Program Competency Goals (PCGs) | Course Assessment Item |
|---|--|---|
| This course helps you to develop the following Program Learning Outcomes: | This course helps you to develop the following Program Competency Goals: | This learning outcome will be assessed in the following items |
| PL15 PL16 | PCG5 | A1 |
| PL10 PL12 PL13 | PCG4 | A2,A1 |
| PLO1 PLO2 | PCG1 | A3 |
| PL07 PL08 | PCG3 | A4 |

Evaluation Schema

The course grade will be determined based on:

| Assessment Task | Weightage (Percentage) | Nature (Individual/Group) | Week of Assessment | PLOs to be Assessed |
|--------------------------------------|------------------------|---------------------------|------------------------------------|---------------------|
| A1: Group Presentation via role play | 35% | Group | Week 6 | PL15, PL16 |
| A2 : Quiz | 25% | Individual | Week 7 | PL10, PL12, PL13 |
| A3 : Class Participation | 10% | Individual | Continuous | PLO1, PLO2 |
| A4: End term Examination | 30% | Individual | In the JGU Examination period/week | PL07, PL08 |

Description of Assessments:

A1- Presentation – Students will work in groups to select a behavioral finance concept and explain it using a role-play scenario. The role play should illustrate real-life financial decision-making and biases, making the concept engaging and relatable. The maximum group size will be 4.

A2 – Quiz – Student will be assessed in an online MCQ quiz.

A3 – Class Participation – Student will be assessed on involvement and performance during the classes

A4 End term examination – The end term examination will be of 30 marks for 1.5 hours. This will be an invigilated exam held on the JGU campus according to the mode decided by CoE.

Rubrics for Assessments A1:

| Criteria/Level | Poor (0) | Fair (1-2) | Good (3-4) | Excellent (5) |
|-------------------------|---|--|--|---|
| Coverage & Logical Flow | Did not cover the entire material and the flow was not haphazard and disconnected | Coverage was somewhat incomplete and organisation of ideas was sometimes clear | Coverage was mostly complete with organisation of ideas was mostly clear | Coverage was complete with no mistakes and organisation of ideas was very clear |

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|-------------------------------------|---|---|--|--|
| Analysis & Examples | Gave no examples and no analysis of concepts | Very few examples were given and mostly reading from slides with minimal analysis | Some examples were given and sometimes spoke outside of slides with analysis of concepts | Many examples given and used slides only for cues linked examples with concepts with good analysis |
| Communication & Presentation skills | Poor communication skills could not engage the audience | Fair communication skills could somewhat engage the audience | Good communication skills could engage audience most of the time | Excellent communication skills could engage audience all throughout the presentation |

Teaching Method

The course will have a judicious mix of lectures, storytelling, experiential exercises, and cases. Here the onus of learning will be with the student, and the instructor will be a facilitator. Instead of learning ‘what to do’, the cases will also be used as examples of real-world phenomena where issues arise, and good and bad practices are seen. The key to learning this way is to see many examples and situations and learn inductive as well as deductive ways from students’ and managers' different experiences.

Textbook / Other Readings

Textbook:

1. Behavioural Investing: A Practitioner's Guide to Applying Behavioural Finance by James Montier. Wiley, 2007
2. Value Investing and Behavioral Finance: Insights into Indian Stock Market Realities by Parag Parikh, McGraw Hill Education, 2017

Other Readings

1. Note on Behavioural Finance Note on Behavioural Finance: Harvard (Product Number: W17341-PDF-ENG); <https://hbsp.harvard.edu/product/W17341-PDF-ENG?Ntt=behavioural%20finance&itemFindingMethod=search>
2. Asaoka, D. (2019). Behavioral analysis of mergers and acquisitions decisions. Corporate Board: Role, Duties and Composition, 15(3), 8-16. <https://doi.org/10.22495/cbv15i3art1>
3. Why Wall Street analysts almost never put 'sell' ratings on stocks they cover (<https://www.cnbc.com/2017/01/26/sell-ratings-by-wall-street-analysts-almost-never-happen.html>)
4. Article/Video - How Do You Spot a Financial Bubble : Yale (<https://insights.som.yale.edu/insights/how-do-you-spot-financial-bubble>)
5. Park, J., Lee, C., & Thomas, M. (2021). Why do cashless payments increase unhealthy consumption? The decision-risk inattention hypothesis. Journal of the Association for Consumer Research, 6(1), 21-32.(<https://www.journals.uchicago.edu/doi/full/10.1086/710251>)
6. Prospect Theory: An Analysis of Decision under Risk Daniel Kahneman; Amos Tversky

Session Plan

| Session Details | Topics | PLOs Covered |
|--------------------------|---|--------------|
| Session 1 | To introduce the course and discuss the course outline with students: | PL10, PL12 |
| Objective of the session | Make students understand the importance of behavioral traits in finance decisions | |
| Subtopics to be covered | <ul style="list-style-type: none"> ● Evolution of Behavioural Finance ● Classical versus Behavioural Finance | |
| Readings | Note on Behavioural Finance: Harvard | |
| Case Title & Number | Product Number: W17341-PDF-ENG; https://hbsp.harvard.edu/product/W17341-PDF-ENG?Ntt=behavioural%20finance&itemFindingMethod=search | |
| Pedagogy | Class Lecture | |
| Session 2 | Understanding the theoretical underpinnings, applications, and limitations | PL10, PL12 |
| Objective of the session | Understanding limits to information processing before making decisions | |
| Subtopics to be covered | Bounded rationality concept, Prospect Theory, Efficient Market Hypothesis | |
| Readings | Prospect Theory: An Analysis of Decision under Risk Daniel Kahneman; Amos Tversky | |
| Case Title & Number | NA | |
| Pedagogy | Class Lecture | |
| Session 3 | Human biases which hamper rational financial decision making | PLO1, PLO2 |
| Objective of the session | Understand Cognitive biases | |
| Subtopics to be covered | Different types of cognitive biases | |
| Readings | Chapter 2 (Textbook 1) | |
| Case Title & Number | NA | |

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|--------------------------|---|-------------------------|
| Pedagogy | Class Lecture | |
| Session 4 | Human biases which hamper rational financial decision making | PLO1, PLO2 |
| Objective of the session | Understand Emotional biases | |
| Subtopics to be covered | Different types of Emotional biases | |
| Readings | Chapter 6,7 & 8 (Textbook 1) | |
| Case Title & Number | NA | |
| Pedagogy | Class Lecture | |
| Session 5 | Credit Card and its impact on spending | PL10,PL12 PL15, PL16 |
| Objective of the session | Does digital money make people complacent in spending? | |
| Subtopics to be covered | Biases in credit card usage | |
| Readings | Park, J., Lee, C., & Thomas, M. (2021). Why do cashless payments increase unhealthy consumption? The decision-risk inattention hypothesis. Journal of the Association for Consumer Research, 6(1), 21-32. | |
| Case Title & Number | Video Case | |
| Pedagogy | Classroom Lecture | |
| Session 6 | Role – Play Group Presentations | PL15, PL16 |
| Objective of the session | Understand various behavioural biases | |
| Subtopics to be covered | Different behavioral biases in real life scenarios | |
| Readings | Not Applicable | |
| Case Title & Number | NA | |
| Pedagogy | Group Presentation (Assessment 1) | |
| Session 7 | Role – Play Group Presentations | PL10,PL12 PL15, PL16 |
| Objective of the session | Understand various behavioural biases | |
| Subtopics to be covered | Different behavioral biases in real life scenarios | |
| Readings | Not Applicable | |
| Case Title & Number | NA | |
| Pedagogy | Group Presentation (Assessment 1) | |
| Session 8 | Investment Styles | PL11, PL12 |
| Objective of the session | Understand how human biases affect value investing decisions | |
| Subtopics to be covered | Value , Growth. Conventional and Contrarian Investing | |
| Readings | Chapter no 3 (Textbook 2), Chapter no 4 (Textbook 2) | |
| Case Title & Number | NA | |
| Pedagogy | Classroom Lecture | |

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| Session 9 | Anatomy of a Bubble | PL10, PL12, PL13 |
| Objective of the session | Different stages in an asset valuation bubble and bust | |
| Subtopics to be covered | Displacement, Euphoria, Distress and Capitulation | |
| Readings | Chapter no 38, 39 & 40 (Textbook 1) | |
| Case Title & Number | NA | |
| Pedagogy | Classroom Lecture | |
| Session 10 | The IPO tech bubble | PL11, PL12 |
| Objective of the session | How euphoria has distorted start up valuations | |
| Subtopics to be covered | Start up business models and valuation | |
| Readings | Chapter no 6 (Textbook 2) | |
| Case Title & Number | NA | |
| Pedagogy | Classroom Lecture | |
| Session 11 | Guest Lecture | PL11, PL12 |
| Objective of the session | Topic – Practical aspect of behavioural finance | |
| Subtopics to be covered | How biases affect decision in real life across the spectrum | |
| Readings | NA | |
| Case Title & Number | NA | |
| Pedagogy | Class Discussion | |
| Session 12 | | PL11, PL12 |
| Objective of the session | Behavioural Biases and Financial Modelling | |
| Subtopics to be covered | How behavioural biases can influence financial modeling projections across equity valuation, project finance, personal finance | |
| Readings | Article: Why Wall Street analysts almost never put 'sell' ratings on stocks they cover | |
| Case Title & Number | NA | |
| Pedagogy | Excel based exercise in the class – EV vs Petrol Cars | |
| Session 13 | | PL11, PL12 |
| Objective of the session | Understand how behavioral biases influence financial decision-making and lead business professionals to fall victim to scams. | |
| Subtopics to be covered | When irrationality take over in Business Decisions | |
| Readings | NA | |
| Case Title & Number | Video Case | |
| Pedagogy | Classroom Lecture | |
| Session 14 | Reading & Revision Week/ Examination Week* | |
| Objective of the session | NA | |
| Subtopics to be covered | NA | |

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| Readings | NA | |
| Case Title & Number | NA | |
| Pedagogy | NA | |
| Session 15 | | |
| | Reading & Revision Week/ Examination Week* | |
| Objective of the session | NA | |
| Subtopics to be covered | NA | |
| Readings | NA | |
| Case Title & Number | NA | |
| Pedagogy | NA | |

*Elective Endterm Examinations may take place in the last week of classes.

Disability Support

JGU endeavours to make all its courses accessible to students. The Disability Support Committee (DSC) has identified conditions that could hinder a student's overall wellbeing. These include physical and mobility-related difficulties, visual impairment, hearing impairment, mental health conditions, and intellectual/learning difficulties, e.g., dyslexia and dyscalculia. Students with any known disability needing academic and other support are required to register with the Disability Support Committee (DSC) by following the procedure specified at <https://jgu.edu.in/disability-support-committee/>

Students who need support may register any time during the semester up until a month before the end semester exam begins. Those students who wish to continue receiving support from the previous semester, must re-register within the first month of a semester. Last-minute registrations and support might not be possible as sufficient time is required to make the arrangements for support.

The DSC maintains strict confidentiality about the identity of the student and the nature of their disability and the same is requested from faculty members and staff as well. The DSC takes a strong stance against in-class and out-of-class references made about a student's disability without their consent and disrespectful comments referring to a student's disability.

All general queries are to be addressed to disabilitysupportcommittee@jgu.edu.in

Disclaimer: This course outline including assessments, mode, nature and weightage of assessments, sessions, sequence of sessions and/or readings may be revised during the semester if such need arises.