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Total Number of Pages : 02

Course: MBA, MBAP

Sub_Code : 18MBA402B/18PTMBA602B

4th/6th Semester Regular / Back Examination: 2022-23

BEHAVIOURAL FINANCE

BRANCH(S): MBA, FM&HRM, LSCM, MBA (M & F), RM, BA, FM, GM, HRM, IB, MM, MBA(PT)

Time : 3 Hour

Max Marks : 100

Q.Code : M 250

Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions:

(2 x 10)

- What is behavioural finance micro?
- What are the foundations of standard finance?
- Name two Noble Laureates who contributed to the behavioural finance theory?
- What is cognitive dissonance?
- Which biases are grouped as heuristic biases?
- Which types of biases are emotional?
- What is bounded rationality? Who propounded this theory?
- Who is called a rational economic man (REM)?
- Which biases are grouped under prospects theory?
- What is herd mentality in stock investment?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- Discuss the nature of overconfidence bias among investors in the stock market.
- What is regression bias? How could you judge an investor having this bias?
- Describe loss aversion bias and the diagnostic tests.
- Explain mental accounting bias.
- Discuss the nature of confirmation bias among the investors.
- Which factors that do not affect investor behaviour?
- Discuss the features of anchoring bias.
- What is Ellsberg's paradox? Explain in detail.
- What is optimism bias? What are its effects on investors?
- What are the characteristics of bubbles in stock market?
- Who is an average investor? Discuss his risk return profile.
- Discuss the tulip mania.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

- Q3 Discuss the external factors which significantly affect the investor behaviour in the stock market. (16)
- Q4 Explain different types of investors and their nature in the stock market. (16)
- Q5 Explain the emotional stages of an investor trading in the stock market in brief. (16)
- Q6 Critically examine if women investors are more biased than the male investors with special reference to the stock market investment. (16)