

Basic information about the subject (independent of the cycle)

Module name	Behavioural and Experimental Finance I
Erasmus code	PL LUBLIN01
ISCED code	0412, 0313
Language of instruction	English
Website	www.umcs.pl/en
Prerequisites	Basic knowledge of economics and/or finance.
ECTS points hour equivalents	Contact hours (work with an academic teacher): 15 Total number of hours with an academic teacher: 20 Number of ECTS points with an academic teacher: 2 Non-contact hours (students' own work): 20 Total number of non-contact hours: 20 Number of ECTS points for non-contact hours: 1 Total number of ECTS points for the module: 3
Educational outcomes verification methods	Assessment of activity during contact hours Assessment of experiment design Short presentation of experiment results Results of on-line test of knowledge
Description	The module covers the knowledge in the area of behavioural mechanisms of financial and economic decisions. The latest developments and findings in the field of Behavioural Finance (BF) are discussed as well as possible applications in practice of economics, finance and business. Heuristics, biases and common irrationalities in decision-making are discovered by students participating in tests, games and experiments. Participants design an experiment and collect data on financial behaviours or believes that are subject to cross-country comparison. The module can be considered as an introduction to "Behavioural and Experimental Finance II" with more extensive data analysis of financial behaviour mechanisms focused on psychological aspects.
Reading list	<ul style="list-style-type: none"> • Kahneman D., <i>Thinking, Fast and Slow</i>, Farrar, Straus and Giroux. • Schiller R. <i>Irrational Exuberance</i>, Princeton University Press. • Shefrin H. <i>Beyond Greed and Fear: Understanding Behavioral Finance and the Psychology of Investing</i>, Oxford University Press. • Thaler R. <i>The Winner's Curse: Paradoxes and Anomalies of Economic Life</i>, Princeton University Press. • Scientific articles provided by lecturer or on-line available.
Educational outcomes	KNOWLEDGE K_W19: The origin and developments of BF. K_W06: Knowledge on mechanisms of consumer, entrepreneur, investor decisions. SKILLS K_U05: Practical application of behavioral mechanisms in economics, finance and business. K_U06: Designing and executing experiments in BF ATTITUDES K_K03: Ready to active participation in groups, organizations and institutions that provide economic activities. K_K05: Ability to act as rational decision-maker.

Practice	n/a
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Information about classes in the cycle

Website	www.umcs.pl/en
Educational outcomes verification methods	Written or on-line test of knowledge, assessment of written report (project of macroeconomic analysis), assessment of in-class activity during discussions, case studies, examples solved
Comments	
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Educational outcomes	<p>KNOWLEDGE K_W19: The origin and developments of BF. K_W06: Knowledge on mechanisms of consumer, entrepreneur, investor decisions.</p> <p>SKILLS K_U05: Practical application of behavioral mechanisms in economics, finance and business. K_U06: Designing and executing experiments in BF</p> <p>ATTITUDES K_K03: Ready to active participation in groups, organizations and institutions that provide economic activities. K_K05: Ability to act as rational decision-maker.</p>
A list of topics	<ol style="list-style-type: none"> 1. The origin and development of BF. 2. Rationality, quasi-rationality and irrationality. 3. Prospect Theory. 4. Heuristics, cognitive and emotional biases. 5. Applications of BF. 6. Experiments in financial behaviours. 7. Project of experiment and data collection: different people - the same behaviour?
Teaching methods	lecture, experiment, case study, role playing, discussion
Assessment methods	50% - Design of research experiment (CAWI survey), data analysis and presentation of results 30% - Online test of knowledge 20% - Participation and in-class activity