HANYANG UNIVERSITY

Hanyang International Summer School

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<tr><td>Home University</td><td colspan="5">Hanyang University</td></tr>
<tr><td>Department</td><td colspan="5">Department of Finance</td></tr>
<tr><td>Homepage</td><td colspan="5"></td></tr>
<tr><td rowspan="6">Course Information</td><td>Class No.</td><td>TBA</td><td>Course Code</td><td>ISS1206</td><td>Credits</td><td>3</td></tr>
<tr><td>Course Name</td><td colspan="5">Introduction to Behavioral Finance</td></tr>
<tr><td>Lecture Schedule</td><td colspan="5">Tue-Fri / 9:00 AM - 12:00 PM</td></tr>
<tr><td>Course Description</td><td colspan="5">This course explores the intersection of psychology and finance to understand how human behavior influences the decision-making process. Unlike traditional financial theories, which assume that individuals are rational wealth maximizers, this course examines how cognitive biases, emotions, and psychological factors often lead to irrational or unpredictable decisions.

Students will study key concepts such as overconfidence, loss aversion, herding behavior, mental accounting, etc., which challenge the assumptions of standard economic models. Through real-world examples and psychology-based theories, the course provides a deeper understanding of anomalies in financial markets and consumer behavior that standard models cannot explain. The goal is to equip students with a comprehensive understanding of the psychological forces that shape decision-making, helping them better navigate and anticipate irrational behaviors in financial contexts.

*** This course is designed for students with no background in economics and finance, so you do not need to worry about the difficulty level.</td></tr>
<tr><td>Course Objective</td><td colspan="5">Upon successful completion of the course, students should have:
1. A good understanding of various forms of human cognitive biases.
2. A good understanding of the details of behavioral models of economic theory.</td></tr>
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		3. A good understanding of efficient market hypothesis and its limits in practice.
	Prerequisite	None.
	Materials/Textbooks	Lecture slides and academic research papers will be provided. No textbook is required.

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<tr><td rowspan="7">Evaluation</td><td>Attendance</td><td>10 %</td><td>Quiz</td><td>%</td></tr>
<tr><td>Assignment</td><td>%</td><td>Mid-term Exam</td><td>20 %</td></tr>
<tr><td>Presentation</td><td>%</td><td>Final Exam</td><td>30 %</td></tr>
<tr><td>Group Project</td><td>40 %</td><td>Participation</td><td>%</td></tr>
<tr><td rowspan="3">Etc.</td><td colspan="2">Evaluation Item</td><td>Ratio</td></tr>
<tr><td colspan="2"></td><td>%</td></tr>
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<tr><td rowspan="19">Daily Lecture Plan</td><td rowspan="4">Week 1</td><td>Day 1</td><td>Entrance ceremony</td></tr>
<tr><td>Day 2</td><td>Introduction to Behavioral Economics
Recap on Standard Economic Assumptions</td></tr>
<tr><td>Day 3</td><td>Values, Preferences and Choices</td></tr>
<tr><td>Day 4</td><td>Beliefs, Heuristics and Biases</td></tr>
<tr><td rowspan="4">Week 2</td><td>Day 1</td><td>1st group project: What are the examples of behavioral anomalies that you encounter personally in your daily life?
Discussion on Behavioral Biases</td></tr>
<tr><td>Day 2</td><td>Decision-making under Uncertainty</td></tr>
<tr><td>Day 3</td><td>Prospect Theory</td></tr>
<tr><td>Day 4</td><td>Mid-term exam</td></tr>
<tr><td rowspan="4">Week 3</td><td>Day 1</td><td>Introduction to Behavioral Finance</td></tr>
<tr><td>Day 2</td><td>Introductory Finance</td></tr>
<tr><td>Day 3</td><td>Efficient Market Hypothesis</td></tr>
<tr><td>Day 4</td><td>Empirical Evidence on Behavioral Finance</td></tr>
<tr><td rowspan="4">Week 4</td><td>Day 1</td><td>Behavioral Corporate Finance</td></tr>
<tr><td>Day 2</td><td>2nd group project: What are the examples of market anomalies that people observe in your home country's financial market?
Discussion on Market Anomalies</td></tr>
<tr><td>Day 3</td><td>Final exam</td></tr>
<tr><td>Day 4</td><td>Graduation</td></tr>
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