



HANYANG UNIVERSITY

Hanyang International Summer School

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Course Information	Class No.	18024	Course Code	ISS1206	Credits	3
	Course Name	Introduction to Behavioral Finance				
	Lecture Schedule	Tue-Fri / 9:00 AM - 12:00 PM				
	Course Description	<p>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.</p> <p>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.</p> <p>*** This course is designed for students with no background in economics and finance, so you do not need to worry about the difficulty level.</p>				
	Course Objective	<p>Upon successful completion of the course, students should have:</p> <ol style="list-style-type: none"> 1. A good understanding of various forms of human cognitive biases. 2. A good understanding of the details of behavioral models of economic theory. 				

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