



HANYANG UNIVERSITY

Hanyang International Summer School

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Course Information	Class No.	18056	Course Code	ISS1206	Credits	3
	Course Name	Introduction to Behavioral Finance				
	Lecture Schedule	Mon-Sat / 09:00 – 12:00				
	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	Day 1	Introduction to Behavioral Economics Recap on Standard Economic Assumptions			
	Day 2	Values, Preferences and Choices			
	Day 3	Beliefs, Heuristics and Biases			
	Day 4	Decision-making under Uncertainty			
	Day 5	Prospect Theory			
	Day 6	1 st project: What are the examples of behavioral anomalies that you encounter personally in your daily life? Discussion on Behavioral Biases			
	Day 7	Midterm exam			
	Day 8	Introduction to Behavioral Finance			
	Day 9	Introductory Finance 1			
	Day 10	Introductory Finance 2			
	Day 11	Efficient Market Hypothesis			
	Day 12	Empirical Evidence on Behavioral Finance			
	Day 13	Behavioral Corporate Finance			
	Day 14	2 nd project: What are the examples of market anomalies that people observe in your home country's financial market? Discussion on Market Anomalies			
	Day 15	Final exam			