

School of Finance and Commerce

Master of Business Administration in Financial Management
Semester End Examination - Jul 2024

Duration : 180 Minutes
Max Marks : 100

Sem II - H1PE203T - Behavioural FinanceGeneral Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

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| 1) | Define what is loss aversion? Discuss its types. | K1(2) |
| 2) | Explain the concept of Investors Disposition Effect. | K2(4) |
| 3) | How Anchoring rules the investment effect? Explain. | K2(6) |
| 4) | Evaluate the key concepts of prospect theory in detail. | K3(9) |
| 5) | How do financial bubbles and market crashes align with behavioral finance theories? Discuss the psychological factors that contribute to the formation of bubbles and crashes. | K3(9) |
| 6) | Discuss the types and scope of decision theory. | K5(10) |
| 7) | Analyze what do you understand by marginal utility theory? Explain its assumptions. | K4(12) |
| 8) | How do external factors effect the decision making of an investor? Elaborate. | K5(15) |
| 9) | Elaborate the systemic approach of using behavioural factors in corporate decision making. | K5(15) |
| 10) | "Two of the most well-known regularities of preference under risk and uncertainty are ambiguity aversion and the Allais parado." Elaborate the statement. | K6(18) |