



## 1. General Information

Course Subject	FINA
Course Number	3381
Course Title	Behavioural Finance
Academic Years	2024-2025
Grading Method	Letter

## 2. Instructors

Professor ZHANG, Jian  
Office: Room 819 8/F K.K. Leung Building  
Email: zhangj1@hku.hk  
Office: 3917 4176  
Subclasses: 1A

## 4. Course Description

Course Description	Behavioral finance is the application of psychology to financial behavior. We will explore various behavioral frames, biases and heuristics and examine their implications on the aggregate market, individual investors, cross-section of average returns and corporate decision makings in a world of limited arbitrage.
Prerequisites	ECON1210: Introductory Microeconomics FINA1310: Corporate Finance FINA2320: Investments and Portfolio Analysis or STAT3609 The statistics of investment risk

## 5. Course Objectives

1. To identify key assumption differences between traditional finance and behavioral finance frameworks.
2. To understand key psychological biases that affect decision making process.
3. To apply psychology research findings into finance anomalies.

## 6. Faculty Learning Goals

- Goal 1: Acquisition and internalization of knowledge of the programme discipline
- Goal 2: Application and integration of knowledge
- Goal 3: Inculcating professionalism
- Goal 4: Developing global outlook
- Goal 5: Mastering communication skills
- Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Explain different types of investor biases and heuristics	✓	✓		✓		
CLO2. Apply behavioral finance in the aggregate stock market	✓	✓		✓		
CLO3. Apply behavioral finance in the cross sectional stock market	✓	✓		✓		
CLO4. Apply behavioral finance in individual wealth management	✓	✓		✓		
CLO5. Apply behavioral finance in corporate financial decisions	✓	✓		✓		
CLO6. Develop team work skills						✓

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lectures: Instructor will give lectures on major concepts and issues. Class attendance and active participation in discussion are expected for all students.	36	30
T&L2. Case study and analysis	30	25
T&L3. Assignment-based study	30	25
T&L4. Self-Study	24	20
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Attendance/ Participation—Interactive Lectures		10%	1,2,3,4,5
A2. Individual Take-home Assignment		20%	1,2,3,4,5
A3. Project (Group)—Presentation		15%	1,2,3,4,5,6
A4. Project (Group)—Report		15%	1,2,3,4,5,6
A5. Final Exam		40%	1,2,3,4,5

## 10. Course Grade Descriptors

A+,A,A-	Actively participated in the course and exhibited high level of understanding of the course materials through excellent performance in class discussion, assignments, term tests, and project.
B+,B,B-	Quite actively participated in the course and exhibited reasonably high level of understanding of the course materials through good performance in class discussion, assignments, term tests, and project.
C+,C,C-	Passive participation in the course and fair level of understanding of the course materials.
D+,D	Limited participation in the course and low level of understanding of the course materials.
F	Poor participation in the course and very low level of understanding of the course materials.

## 12. Required/Recommended Readings & Online Materials

Textbook	(optional) Lucy F. Ackert and Richard Deaves 2010, Behavioral finance: psychology, decision-making, and markets, South-Western
----------	--

## 13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

## 14. Course Policy

<b>e-learning platform &amp; materials</b>
Course Moodle Page