

**COURSE DATA****Data Subject**

<b>Code</b>	36531
<b>Name</b>	Financial Behaviour Analysis
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2023 - 2024

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
1332 - Degree in Business Intelligence and Analytics	Faculty of Economics	4	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1332 - Degree in Business Intelligence and Analytics	27 - Complementos de Finanzas	Optional

**Coordination**

<b>Name</b>	<b>Department</b>
LUCIA LOPEZ, JULIO JESUS	113 - Financial and Actuarial Economics

**SUMMARY**

The analytics of financial behaviour explains financial decisions based on features of human behaviour that diverge from the usual assumption of rational behaviour. Special attention is paid to suboptimal spending decisions as well as the main debt and investment mistakes. Thus, this course brings the contributions of the so-called Behavioural Finance to the curriculum of the student, through its application to the field that enjoys the greatest consensus about its usefulness and pedagogical validity: the analysis of individual financial decision-making.

**PREVIOUS KNOWLEDGE**



### **Relationship to other subjects of the same degree**

There are no specified enrollment restrictions with other subjects of the curriculum.

### **Other requirements**

There are no specified enrollment restrictions with other subjects of the curriculum.

## **OUTCOMES**

### **1332 - Degree in Business Intelligence and Analytics**

- Acquire basic training that can be used to learn new methods and technologies and to adapt to new situations in academic and professional areas.
- Be able to solve problems and to communicate and spread knowledge, skills and abilities, taking account of the ethical, egalitarian and professional responsibility of the activity of business intelligence and analytics.
- Be able to produce models, calculations and reports, and to plan tasks in the specific field of business intelligence and analytics.
- Know and know how to properly use the appropriate quantitative and qualitative methods to reason analytically, evaluate results and predict economic and financial magnitudes.
- Be able to apply analytical and mathematical methods for the analysis of economic and business problems.
- Be able to plan, organise, monitor and evaluate the implementation of business strategies.
- Demonstrate skills for analysis and synthesis.
- Be able to analyse and search for information from diverse sources.
- Be able to learn autonomously.
- Be able to use ICT, both in academia and in professional practice.
- Be able to define, solve and present complex problems systemically.
- Be able to work in a team demonstrating commitment to quality, ethics, equality and social responsibility.

## **LEARNING OUTCOMES**

Identification of anomalous behaviour in finance.



## DESCRIPTION OF CONTENTS

### 1. 1st Part: Fundamentals

#### Unit 1: Fundamentals I: Theoretical Issues

We introduce the field of study of the course. We present the different theoretical approaches in the analysis of financial behaviour and several psychological factors affecting financial decisions.

#### Unit 2: Fundamentals II: Empirical Issues

We identify the different types of data and methods of observation in finance, highlighting the complementary role of experiments and surveys.

### 2. 2nd Part: Evidence of anomalous individual behaviour

#### Unit 3: Introduction: Household Financial Decisions and Difficulties

We explain the increasing complexity of individual financial decisions and we present empirical survey evidence on household financial difficulties.

#### Unit 4: Suboptimal spending decisions

We present the available evidence on suboptimal spending decisions and discuss their possible causes.

#### Unit 5: Debt mistakes

We present evidence on excessive indebtedness and the incorrect choice of the type of debt. In addition, we discuss the regulations on transparency and financial consumer protection.

#### Unit 6: Investment mistakes

We review the empirical evidence on diversification mistakes, errors in active management and other factors and errors in investment decisions.

### 3. 3rd Part: Expert Decisions and Anomalies in Financial Markets

#### Unit 7: Expert Decisions and Anomalies in Financial Markets

We analyse some anomalous decisions of experts and financial analysts as well as the controversial topic of anomalies in financial markets.

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Computer classroom practice	30,00	100
Study and independent work	90,00	0
<b>TOTAL</b>	<b>150,00</b>	

**TEACHING METHODOLOGY**

In theory classes the main theoretical concepts are studied, and cases and evidence that support the theory are discussed.

The remaining classes are mainly devoted to debates and other tasks, such as presenting and defending essays and reports individually or by a group of students.

Autonomous homework supervised by the instructors and based on preparing debates as well as essays and reports individually or by a group of students.

**EVALUATION**

**IMPORTANT NOTICE:** This is a translation into English of the corresponding section in Spanish, which is provided for the benefit of any prospective foreign student. It is expected to be an accurate translation of the original version in Spanish. However, in case of any unintended discrepancy in meaning between both versions, the original Spanish version will prevail.

**EVALUATION SYSTEM**

The evaluation will consider the following items (each one weighed as indicated):

1. A continuous assessment based on:

a) Class participation and the attitude towards the instructors and the classmates (20% of the final grade).

b) Assignments (50% of the grade). Every student or group of students (whose composition and size will be determined in the classroom) will have to submit the tasks assigned by the instructor, or some other similar task proposed by the students and previously accepted by the teacher. The objectives of the assignments may include, among others: (i) Analyse some complementary reading; (ii) Analyse some video related to the topics covered during the course; (iii) Prepare and carry out a debate about a controversial issue; (iv) Provide additional evidence, conducted and analysed by the students themselves, supporting any of the concepts studied in class. (Typically, it will replicate some experiment, survey or empirical study previously carried out by others.); (v) Suggest some strategy that may help to avoid mistakes and biases studied in class.



Usually, the assignments must be presented and defended in the classroom, and a brief written report will have to be submitted at the discretion of the instructor. Assignments will have to be handed in (typically by uploading them to Aula Virtual) before the deadline indicated in class by the instructor in order to be considered for the final grade.

2. A written final exam at the end of the term (30% of the grade).

The final qualification will be given by the sum of the previous concepts. Nonetheless, in order to pass the subject, **the student must pass the final exam** (answer at least 50% of the exam questions correctly), **which is compulsory**. In case of failing the final exam, the maximum qualification that the student can obtain as the sum of all the items will be 4.5 points.

## SECOND CALL EVALUATION SYSTEM

For the second examination call, the same evaluation and weighting criteria as for the first call will be used. Those students who are evaluated on the second examination call will maintain the grade obtained in all the evaluation items except the final exam, and they will not be allowed to complete any tasks or homework that had not been previously considered for the first call.

## CHANGES IN FINAL EXAMINATION SCHEDULES

Any possible change of the date and/or time of a final exam will be administered under the terms and conditions established by Article 9.2 of the “Regulation of evaluation and qualification of the University of Valencia for bachelor's and master's degrees, ACGUV 108/2017”.

In particular, in case of coincidence at the same date and time of two final exams of the same degree, if according to the rules this subject must change the date or time, the student will have to submit a written request to reschedule his/her exam to the Head of the Department at least one month before the beginning of the final examination period.

You can submit your request to: [dep.economia.financera@uv.es](mailto:dep.economia.financera@uv.es) exclusively from your [alumni.uv.es](mailto:alumni.uv.es) email address.

In order to be allowed to take the alternative exam, the student will have to prove that he/she has previously attended the coincident exam.

## ACADEMIC FRAUD

Exams will be regulated by Article 13 on examination fraud of the “Regulation of evaluation and qualification of the University of Valencia for bachelor's and master's degrees, ACGUV 108/2017”. Additionally, all the assessment tasks and homework will be subject to the regulation on plagiarism detailed in Article 15.2 of the same Regulation.

Furthermore, recall that all the tasks and final examinations will also be subject to the new “Action protocol for fraudulent practices at the University of Valencia. ACGUV 123/2020”.

In particular, in accordance with this regulation:





1. The following practices, among others, will be considered as fraudulent: refuse to be identified or bring any unauthorized material to the examination venue, as well as plagiarism in any task and homework.
2. At the beginning of an examination, the instructor will inform the attendees about any material and objects that are strictly prohibited to be used. In any case, students are not authorized to have any electronic device within reach (such as cellular phones or any electronic mean of emitting, receiving and/or storing information), unless they are specifically permitted to do so by the instructor.
3. Every student must follow the instructions given by the teachers and must collaborate with them. In case of incidences, teachers are considered as academic authorities, and their testimony is a privileged mean of proof.

### EXAMINATION REGULATIONS

The complete above-mentioned University of Valencia regulations can be found at:

<https://www.uv.es/uvweb/college/en/undergraduate-studies/academic-information/regulations/university-valencia-legislation-1285850677111.html>

## REFERENCES

### Basic

- Ariely, Dan (2008): Las trampas del deseo. Ariel Ediciones. (Traducción de: D. Ariely (2008): Predictably Irrational. Harper Collins Publishers Ltd.)
- Kahneman, Daniel (2012): Pensar rápido, pensar despacio. Debate; Hay edición de bolsillo: Debolsillo, 2013. (Traducción al español de: D. Kahneman (2011): Thinking, fast and slow. Penguin.)
- Shefrin, Hersh (2002): Beyond greed and fear. Oxford University Press.
- Thaler, Richard H. y Cass R. Sunstein (2009): Nudge: The Final Edition. Penguin. (Hay traducción al español de una edición anterior inglesa de 2009: R.H. Thaler y C.R. Sunstein (2022): Un pequeño empujón. Debolsillo.)

### Additional

- Ackert, L. F. y R. Deaves (2010): Behavioral Finance: Psychology, Decision-Making, and Markets, International Edition. South-Western, Cengage Learning.
- Bazerman, M. H. y D.A. Moore (2009): Judgement in Managerial Decision Making, 7th edition. John Wiley & Sons.