

10/11/2023 P.A

(Pages : 2)

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Reg. No. : .....

Name : .....



**Fourth Semester M.A. Degree Examination, October 2023**

**Behavioural Economics and Data Science**

**BEDS 541 – BASICS OF BEHAVIOURAL FINANCE**

**(2020 Admission Onwards)**

Time : 3 Hours

Max. Marks : 75

PART I

Answer **all** questions. **Each** question carries **1** mark.

1. Loss aversion
2. Regret
3. Cognitive Psychology
4. Expected utility hypothesis
5. Elsberg's paradoxes
6. Satisfice
7. Investor behavior.
8. Fear Power
9. Dividend absence
10. Neuroeconomics

**(10 × 1 = 10 Marks)**

P.T.O.

PART II



Answer any **seven** questions. **Each** question carries **5** marks.

11. What do you mean by the psychology of investor behaviour?
12. What are the various aspects of mental accounting?
13. Explain arbitrage and examine the limits to arbitrage theory.
14. Distinguish between Transaction costs and short-selling costs.
15. Discuss the rational decision-making process.
16. Distinguish between individual or group rationality.
17. Explain the role of emotions in financial markets.
18. The Volatility Index (VIX) is one of the best and accepted tools to measure the price level in the stock market. Explain.
19. What is Behavioural corporate finance?
20. Illustrate the Neurophysiology of risk-taking.

**(7 × 5 = 35 Marks)**

PART III

Answer any **three** questions. **Each** question carries **10** marks.

21. Discuss the Behavioural Finance Market Strategies.
22. Explain the theory of financial predation.
23. What are the different stages of a bubble? Explain it with the help of a diagram.
24. Examine Fear and Greed in financial Market.
25. Explain Personality traits and discuss Bailard, Biehl, and Kaiser's Five-Way Model of personality trait.

**(3 × 10 = 30 Marks)**