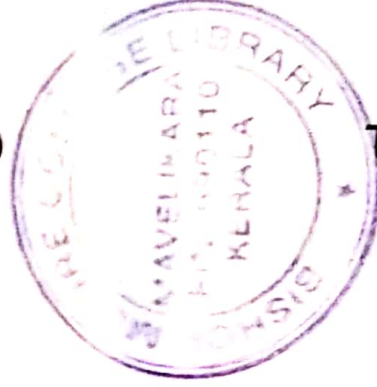


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Reg. No. : .....

Name : .....



**Fourth Semester M.A. Degree Examination, July 2024**

**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. Behavioural Finance
2. Arbitrageur
3. Noise Trade Risk
4. Bubbles
5. Group Rationality
6. Long-Short Trading strategies
7. Investor Disposition Effect
8. Financial Market
9. Average Investor
10. Dividend

**(10 × 1 = 10 Marks)**

P.T.O.



## PART – II

Answer any seven questions. Each question carries 5 marks.

11. What are the main features of Mental Accounting?
12. Give a note on systematic investor sentiments.
13. Explain the main factors associated with the psychology of investor behaviour.
14. Explain the main features of Elsborg's paradox.
15. What are the main external factors that affect investment behaviour?
16. Explain the relationship between Cognitive Psychology and Limits to Arbitrage.
17. Give a note on Herbert Simon's concept of Bounded Rationality.
18. Define various belief biases in investment.
19. Explain the different ways of defining rationality.
20. Give a note on the different personality traits and risk attitudes in different domains.

(7 × 5 = 35 Marks)

## PART – III

Answer any three questions. Each question carries 10 marks.

21. Write an essay, on the fear and greed in financial markets.
22. Briefly explain the nature and scope of Behavioural Finance.
23. Give an essay on the Loss Aversion theory.
24. Write an essay on Neuro Psychology of risk taking.
25. Briefly explain the main application of Prospect theory.

(3 × 10 = 30 Marks)