

Total No. of Questions : 5]

SEAT No. :

PF-12548

[Total No. of Pages : 2

[6648]-813

M.B.A.

SE FIN -09 : BEHAVIOURAL FINANCE
(Finance Specialisation)
(2024 Pattern) (Semester - IV)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Draw suitable examples wherever necessary.

Q1) Solve any Five questions (2 marks each) :

[10]

- a) Define Behavioural Finance.
- b) State two examples of market anomalies.
- c) Define Prospect Theory.
- d) State any two demographic factors affecting investor behaviour.
- e) What are heuristics in Behavioural Finance?
- f) Write two characteristics of successful investors.
- g) What is meant by Boom Cycle?
- h) Define Insider Trading.

Q2) Solve any Two (5 marks each) :

[10]

- a) Differentiate between Standard Finance and Behavioural Finance
- b) Discuss the role of fear and greed in influencing investor behaviour and financial markets.
- c) Discuss impact of different biases on investors

Q3) Answer Any One :

[10]

- a) Explain the behavioural aspects associated with timing of corporate announcements and corporate scandals in financial markets.

OR

- b) Explain the relevance of Prospect Theory in Loss Aversion, and Risk Aversion in explaining investor behaviour during stock market fluctuations. Support your answer with suitable examples.

P.T.O.

Q4) Answer Any One :

[10]

- a) Analyse the limitations of the Traditional view of Financial Markets in explaining market anomalies and financial crises. How does Behavioural Finance provide a better understanding of investor behaviour?

OR

- b) Critically examine the concepts of Bounded Rationality and Limited Attention Model in investment decision-making. How do these theories challenge traditional finance assumptions?

Q5) Answer Any One :

[10]

- a) Develop a comparative model of Individual Investors and Institutional Investors by incorporating investment behaviour, emotional influences, biases, and market sentiments.

OR

- b) Construct a framework showing how Bounded Rationality and Limited Attention affect investor behaviour and create deviations from rational financial decision-making.