

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (IB) – SEMESTER – III – EXAMINATION – WINTER 2019

Subject Code: 1539346**Date: 04/12/2019****Subject Name: Behavioural Finance****Time: 10.30am to 01.30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** Explain the following terms: **14**
- (a) Loss Aversion
 - (b) Disposition Effect
 - (c) January Effect
 - (d) Forensic Accounting
 - (e) Neurofinance
 - (f) Prospect Theory
 - (g) Value Investing
- Q.2** (a) Write a detailed note about the building blocks of behavioral finance. **07**
- (b) Describe Expected Utility Theory. **07**
- OR**
- (b) What questions does the Capital Asset Pricing Model (CAPM) try to answer? **07**
- Q.3** (a) Elaborate on various types of Heuristics. **07**
- (b) Distinguish between System 1 and System 2 biases. **07**
- OR**
- Q.3** (a) Write in detail about debiasing and its importance. **07**
- (b) What is overconfidence bias? Write in detail. **07**
- Q.4** (a) Write in detail about the causes of bubbles. **07**
- (b) Discuss central tenets of value investing. **07**
- OR**
- Q.4** (a) How does an investor behave during bubble? **07**
- (b) Write in detail about psychographic models. **07**
- Q.5** (a) A few experiments in Neurofinance have helped in the knowledge of financial decision making. Elaborate the experiments. **07**
- (b) Describe any two fraud theories with examples. **07**
- OR**
- Q.5** (a) Write in detail about the various approaches to Behavioral Corporate Finance. **07**
- (b) How does mental accounting affect investor's investment decision? Explain. **07**
