

School of Business

Department of Business
Mid Term Examination

Exam Date: 01 Oct 2023

Time : 90 Minutes

Marks : 50

Sem IX - MBFI6013 - Behavioural Finance

Your answer should be specific to the question asked

Draw neat labeled diagrams wherever necessary

- 1) Classify the concept of mental accounting. K2 (2)
- 2) Define the concept of prospect theory and its relevance in Behavioral Finance K1 (3)
- 3) Interpret, how Prospect Theory explain decision-making in financial markets? K2 (4)
- 4) Illustrate examples of well-known calendar anomalies in financial markets and how they can be removed. K2 (6)
- 5) Classify the factors contribute to the irrational behavior observed in financial markets? K3 (6)
- 6) Interpret a detailed comparative study of all the three models of expected utility. K3 (9)
- 7) Examine, how the psychology of investor behavior impact their investment decisions? K4 (8)
- 8) "Believing that all Asians are smart and good at math." Appraise the statement with reference to behavioral biases. K4 (12)

OR

Analyse, How can the anchoring and adjustment heuristic influence investors when valuing assets? K4 (12)