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N – 7218

Reg. No. :

Name :

Fourth Semester M.A. Degree Examination, August 2022

Behavioural Economics and Data Science

BEDS 541 — BASICS OF BEHAVIOURAL FINANCE

(2020 Admission)

Time : 3 Hours

Max. Marks : 75

PART – I

Answer **all** questions from this part. Each question carries **one** mark

1. Long position
2. Disposition effect
3. Convertible arbitrage
4. Long-short trades
5. Bounded rationality
6. Average investor
7. Emotions
8. Greed's Power
9. Corporate decision-making
10. Neurophysiology

(10 × 1 = 10 Marks)

P.T.O.



PART – II

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

11. Define behavioural finance and examine its importance, nature and scope.
12. Explain the effect of human error in economic reasoning by using prospect theory.
13. Describe the different types of arbitrages.
14. Explain the behaviour of investors dealing in lottery.
15. What is rationality and explain Rational Decision-Making Model.
16. Define Bubble. How bubble occurs in a market and burst?
17. What are the various external factors which influences investor behaviour?
18. Briefly discuss Transaction costs.
19. Explain personality traits and risk attitudes in different domains.
20. Examine ex-dividend day behaviour with the help of an example.

(7 × 5 = 35 Marks)

PART – III

Answer any **THREE** questions- Each question carries **10** marks

21. Explain the concept psychology and bring out its nature and importance.
22. Examine the evolution of theories based on expected utility concept.
23. Illustrate the rationality from an economics and evolutionary prospective.
24. Discuss the statistical methodology for capturing the effects of external influence on stock market returns.
25. What are the various systematic approaches of using behavioural factors in corporate decision-making?

(3 × 10 = 30 Marks)

