

L01 Quiz

Q1. Is human psychology actually important in Finance?

I believe human psychology plays a very integral role in finance, creating a whole new branch within Finance as Behavioural Finance, which actually tells us that the movement of the market is not only based on the calculated risks one takes, but actually and arguably more on how one responds to the market through various behavioural shifts.

Q2. What's the purpose of finance?

While the agenda for finance could be different for different individuals, I believe finance is like Life 101, and almost every decision which we make in this world, which maybe could be as simple as eating dinner or going out to a movie, is somehow or other related to finance

While my purpose of choosing finance, which actually aligns with my professor's vision towards finance, is not just to make a lot of money for myself, but is actually the interest and obsession towards finance

Q3. What's the role of Speculation in Financial Markets?

I believe the key role of speculation in the Financial Market is that it promotes liquidity, Speculation can also prevent stock market bubbles through a major portion of short selling.