



(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 270424

Roll No.

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M.B.A.

(SEM. IV) THEORY EXAMINATION, 2014-15
BEHAVIORAL FINANCE

Time : 3 Hours]

[Total Marks : 100

Note: Attempt question as per given instruction.

SECTION - A

1 Attempt any four questions :

5×4=20

- (a) What are the various of objectives behavioral finance?
- (b) Explain the role of psychology in identifying the investor behavior in financial market.
- (c) Explain 1/n rule of Heuristic.
- (d) How is individual rationality different from group rationality?
- (e) What do you mean by fear and greed in financial market?
- (f) What is behavioral corporate finance?

SECTION - B

2 Attempt any two questions : **15×2=30**

- (a) How emotions affect the Financial Decision Making? Explain.
- (b) What are the objectives of psychology with reference to financial markets?
- (c) What is prospect theory? Explain in detail.

SECTION - C

3 What is Behavioral Finance? Explain its nature and scope. **10**

OR

Explain the scope of Psychology in Finance.

4 What are different building blocks of behavioral finance? Explain in detail. **10**

OR

What is cognitive psychology? What are the scope areas of cognitive psychology?

5 Who is investor? What are different types of investors? **10**
How average investor different from simple investor?

OR

Define bubble. How bubble occurs in a markets and burst?

6 How do external factors effect the decision making of an investor? Explain. **10**

OR

What is behavioral life cycle? Explain.

7 Write short notes on any two: **10**

- (a) Ellsberg Paradox
- (b) Geomagnetic Strom
- (c) Expected Utility.