K.J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

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PGDM (FS) Trimester - VI (2017-2019)

End Term Examination

Subject: Behavioural Finance	Specialization: Finance
Date of Exam: 10th April 2019	Marks: 50
Duration: 3 Hours	

Instructions

Q1 is compulsory and would carry **20 marks.** In addition to Q1, **there are Five Questions**. **Each question would carry 10 marks.** Attempt any Three out of the remaining Five Questions.

Q.1) a) Define Bubble? Discuss some important examples of real world bubbles in the market? How bubble occurs in a market and burst?

b) Explain Personality traits suggested by Bailard, Biehl and Kaiser's Five- way (BB&K) Model

Q, 2) Attempt Any 2

a) How do external factors affect the decision- making of an investor? Explain

b) Explain Barnewall Two-Way Model

c) Distinguish between Cognitive errors and emotional Biases

Q.3) Attempt Any 2

a) What is emotion? What are emotional stages of an investor and how investor can overcome it?

b) What are seven indicators to measure fear and greed index?

c) Explain Brain Secretions responsible for investment Behavior

Q.4) Attempt Any 2

a) Discuss Prospect theory with Examples.

b) What are the key differences between traditional finance and behavioural finance?

c) Explain Disposition Effect? How to overcome it?

Q.5) Attempt Any 2

a) Discuss the Pompian behavioral model

b) Distinguish between Similarity Heuristics and Gamler's fallacy

c) Explain Endowment Effect

Q.6) Attempt Any 2

a) Discuss behavioral factors that affect analyst forecasts or recommendations.

b) What is Mental Accounting, explain with and Example and How to overcome Mental Accounting?

c) What is Disaster Myopia, explain with examples?