

Behavioural Economics and Finance (F001031)

Course size *(nominal values; actual values may depend on programme)*

Credits 6.0

Study time 180 h

Course offerings in academic year 2025-2026

A (semester 1)

English

Gent

Lecturers in academic year 2025-2026

Bouchouicha, Ranoua

EB21

lecturer-in-charge

Offered in the following programmes in 2025-2026

[Bachelor of Science in Business Administration](#)

[Exchange programme in Economics and Business Administration](#)

crdts

6

offering

A

6

A

Teaching languages

English

Keywords

Cognitive biases, Expected Utility Theory, Prospect Theory, Preferences, Financial markets, Investor behaviour, Irrationality

Position of the course

The course covers foundational behavioural economics concepts. It reviews the main assumptions of the standard economic model as well as the traditional assumptions of the capital asset pricing model and investigates their empirical and theoretical irregularities. The course highlights the role of cognitive biases in decision making and provides behavioural insights in explaining anomalies in financial markets and different fields of economics (development economics, labour markets etc.)

Contents

- Introduction and Classroom experiment
- Traditional economic model: Expected Utility and its paradoxes
- Traditional finance models: Capital Asset Pricing Model, market efficiency and limits to arbitrage
- Bubbles and returns extrapolation
- Prospect Theory
- Social preferences
- Time preferences and intertemporal choices
- Nudge and Behavioural insights
- The cognitive revolution in Economics

Initial competences

Knowledge in Economics, Finance and Statistics.

Final competences

- 1 Understand the limitations of standard economic in explaining human behaviour.
- 2 Understand how financial market anomalies arise and why they exist.
- 3 Analyse the role of cognitive biases in decision-making.
- 4 Critically assess behavioural insights in policy implementation.

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

Access to this course unit via an exam contract is unrestricted

Teaching methods

Lecture

Extra information on the teaching methods

Lectures (with recommended readings). The lectures are supplemented —when appropriate — with exercises and experiments to support the understanding of the underlying theory

Study material

Type: Slides

Name: Lecture notes

Indicative price: Free or paid by faculty

Optional: no

Language : English

Available on Ufora : Yes

Additional information: Main study materials are lecture slides, there is a recommended but not mandatory textbook that is available in the library (Cartwright, E. (2018). Behavioral economics. Routledge.)

References**Course content-related study coaching**

The major part of the course is supported by examples, slides and additional exercises. All information is made available on Ufora. The student can ask question and discuss problems with the teacher right before, during or after the lectures.

Assessment moments

end-of-term assessment

Examination methods in case of periodic assessment during the first examination period

Written assessment

Examination methods in case of periodic assessment during the second examination period

Written assessment

Examination methods in case of permanent assessment**Possibilities of retake in case of permanent assessment**

not applicable

Extra information on the examination methods

Written exam (100%).

Calculation of the examination mark