



QP CODE: 26802188



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Reg No :

Name :

MBA DEGREE EXAMINATION, MAY 2026

Fourth Semester

MASTER OF BUSINESS ADMINISTRATION

ELECTIVE - 24MB04FE06 - BEHAVIOURAL FINANCE

2024 ADMISSION ONWARDS

E2D6D042

Time: 3 Hours

Maximum Marks: 60

Part A

*Answer any **five** questions. Each question carries **2** marks.*

1. State the significance of Behavioural Finance in financial decision making.
2. What is the January effect?
3. What is bias diagnosis in behavioural finance?
4. Define illusion of control.
5. Define cognitive dissonance bias.
6. What is social influence in investing?
7. Define Loss Aversion in Projects.

(5×2 = 10 Marks)

Part B

*Answer any **five** questions. Each question carries **6** marks.*

8. Analyze how behavioral biases challenge the rational economic man model.
9. Evaluate methods used to measure risk tolerance among individual investors.
10. Discuss the role of behavioural insights in asset allocation.
11. Discuss how demographic factors influence overconfidence among individual investors.
12. Discuss the impact of fear and greed on investment decisions.
13. Explain how representativeness bias influences investor behavior in financial markets.
14. Discuss how financial advisors use behavioural insights in client management.

(5×6 = 30 Marks)





Part C

Answer any **two** questions. Each question carries **10** marks.

Question number 17 is compulsory .

15. Illustrate how behavioral biases challenge the assumptions of Efficient Market Hypothesis.
16. Analyse anchoring, representativeness and confirmation biases in real-world investment scenarios.

Compulsory Question

17. What evidence indicates that investors hold losing stocks too long and sell winning stocks too early? Why does this disposition effect occur? What is the simplest rule to improve selling decisions?

(2×10 = 20 Marks)

