Syllabus

1. Programme information

1.1. Institution	THE BUCHAREST UNIVERSITY OF ECONOMIC STUDIES
1.2. Faculty	Finance and Banking
1.3. Departments	Department of Finance, Department of Money and Banking
1.4. Field of study	Finance
1.5. Cycle of studies	Master Studies
1.6. Education type	Full-time
1.7. Study programme	Master of Applied Finance
1.8. Language of study	English
1.9. Academic year	2020-2021

2. Information on the discipline

2.1. Name	**Individual portfolios. Wealth planning and behavioral finance**							
2.2. Code	**20.0276IF2.1-0002**							
2.3. Year of study	**2**	2.4. Semester	**1**	2.5. Type of assessment	**Exam**	2.6. Status of the discipline	**O**	2.7. Number of ECTS credits	**10**
2.8. Leaders	C(C)	**conf.univ.dr. MITROI Adrian**				adrian.mitroi@fin.ase.ro		
	S(S)	**conf.univ.dr. MITROI Adrian**				adrian.mitroi@fin.ase.ro		

3. Estimated Total Time

3.1. Number of weeks		14.00	
3.2. Number of hours per week		4.00	of which
		C(C)	2.00
		S(S)	2.00
3.3. Total hours from curriculum		56.00	of which
		C(C)	28.00
		S(S)	28.00
3.4. Total hours of study per semester (ECTS*25)		250.00	
3.5. Total hours of individual study		194.00	

Distribution of time for individual study	
Study by the textbook, lecture notes, bibliography and student's own notes	70.00
Additional documentation in the library, on specialized online platforms and in the field	50.00
Preparation of seminars, labs, assignments, portfolios and essays	50.00
Tutorials	20.00
Examinations	3.00
Other activities	1.00

4. Prerequisites

4.1. of curriculum	
4.2. of competences	

5. Conditions

for the C(C)	Lectures with multimedia support, internet fast connections, Office, Eviews, Prezi, flip chart, audio equipment.
for the S(S)	Lectures with multimedia support, internet fast connections, Office, Eviews, Prezi, flip chart, audio equipment.

6. Acquired specific competences

PREFESSIONAL	C1	Operating ability with mathematical, financial, statistical and econometric functions
PREFESSIONAL	C2	Sourcing, compilation, processing, analysis and synthesis of financial information
PREFESSIONAL	C3	Evaluation and quantification of financial risk management
PREFESSIONAL	C4	Analysis, profiling and modeling of the behavior of investors on the financial markets
PREFESSIONAL	C5	Analysis and modeling of decision making process at micro and macroeconomics level

7. Objectives of the discipline

7.1. General objective	
7.2. Specific objectives	

8. Contents

8.1. C(C)		Teaching/Work methods	Recommendations for students
1	Course1 About Seminar, Case Study, Exam introduction: • The new Economy of Finance and Investments • Internet investment advice. Active vs. Passive • The future of the investment finance profession • Political Economy. Social media, fake news • Institutional Investors. Central Banks. Fiscal view Make critical judgments, investment assumptions for capital market expectations as key inputs for managing an investment portfolio or devise an asset allocation strategy, investment decision-making process under the assumption of omnipresent behavioral biases and cognitive errors	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
2	Course 2 The Behavioral Economy new perspective on markets (part A): • Risk definition by Behavioral Finance. Different. • Behavioral New Economy, the hedonic feel-good factor of the modern financial consumer • Digital: Advent of robo-advising, algo-trading, meta-analysis, HFT, ETFs, Index and Passive • What's new: Neuroeconomics, Social Media Integrate diverse and competing shareholder perspectives into an individual asset allocation decision making model based on behavioral finance rules and techniques, avoiding errors, biases	Class debates, applications and case study analysis. Pros, cons debates, public speaking Comprehensive subjects on market regulation and supervision will be addressed during each course.	
3	Course 3 The Behavioral Economy new perspective on markets (part B): • Risk definition by Behavioral Finance. Different. • Behavioral New Economy, the hedonic feel-good factor of the modern financial consumer • Digital: Advent of robo-advising, algo-trading, meta-analysis, HFT, ETFs, Index and Passive • What's new: Neuroeconomics, Social Media	Class debates, applications and case study analysis. Pros, cons debates, public speaking Comprehensive subjects on market regulation and supervision will be addressed during each course.	

4	Course 4 The Behavioral Finance theory, three Noble's on BF: • Prospect Theory • Irrational Exuberance • Behavioral Nudge • Other: Regret Theory, Cognitive Dissonance, Herd, Anomaly, Fear, Greed, Evil Economics Comprehensive subjects on market regulation and supervision will be addressed during each course. Teaching emphasis on subjects of relevance in modern world - AI, robo-advice, large data analysis, financial algorithms, social media and trends and other technology advancements pertinent to a contemporary finance professional	Class debates, applications and case study analysis. Pros, cons debates, public speaking Comprehensive subjects on market regulation and supervision will be addressed during each course.	
5	Course 5 The Behavioral Finance Decision Making Processes: • Market inefficiency and anomalies. • Market. Trend. Momentum. Contrarian Investing • Bubbles and Crashes. Irrational Exuberance • Value, Growth and Market Investment Portfolios • Behavioral Asset Allocation, tactical, strategic	Class debates, applications and case study analysis. Pros, cons debates, public speaking How to write and interpret questionnaire to investigate risk propensity, fear of loss and regret aversion	
6	Course 6 Couple and Family Finance: • Real Estate. Wealth, Status, Investment, Speculation. The great handicap of an initial loss • Personal Finance. Masculine, Feminine Finance and Couple Finance • The Future of Investment Services and Products should address mostly feminine clients. The matrimonial financial risk	Class debates, applications and case study analysis. Pros, cons debates, public speaking How to write and interpret questionnaire to investigate risk propensity, fear of loss and regret aversion	
7	Course 7 Behavioral Biases. Individuals, Groups, Organization, Markets and Public Behavior (part A) : - Investment Portfolio Construction (inertia familiarity, status quo, preference, default comfort zone, reference point) -Omission and commission. Regret of error Economic power of Evil. The pain of gain and glory of loss. Investing with an ecclesiastic's view	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
8	Course 8 Behavioral Biases. Individuals, Groups, Organization, Markets and Public Behavior (part B): • Cognitive Errors (Perseverance of belief and Credo, Information Processing bias, Status Quo) • Emotional Biases (Loss and regret aversion, Overconfidence, Cognitive Dissonance, Self-Control, Attribution, Break even, Mental Accounting, Endowment, House Money effect) • Behavioral Factors Biases and Errors for: - Client Advisor (Investor types, Risk Tolerance - Analyst Forecast, Internet Biased News, Facts vs. Opinions, Digital Economy, Fake info-news	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
9	Course 9 Goal-based Investment Finance: • Kids' Education • Life and wealth and health Insurance • Retirement Risk • Longevity Risk • Efficient Assets Allocation: Economic and Financial intelligence, continuous learning	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
10	Course 10 Wealth Management (part A) Managing Individual Investment Portfolios: • Behavioral Asset Allocation vs. Security Selection • Behavioral Portfolio Management • Asset Pricing and Market Efficiency • Asset and Liability Management. Wealth Fragility • Index and Passive, Internet Auto pilot Investing	Class debates, applications and case study analysis. Pros, cons debates, public speaking	

11	Course 11 Wealth Management (part B) Managing Individual Investment Portfolios: • Behavioral Asset Allocation vs. Security Selection • Behavioral Portfolio Management • Asset Pricing and Market Efficiency • Asset and Liability Management. Wealth Fragility • Index and Passive, Internet Auto pilot Investing	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
12	Course 12 Human Factor Analysis for Investment Management: • The investment decision-making process, behavioral biases and cognitive errors • Life continuous education. Kids' Education • Life and wealth and health Insurance • Personality and Culture • Investor Profiling Lifetime Financial Advice as Integrated framework for Human Capital and Asset Allocation during lifetime: • Investment Policy Statement, Asset Allocators • Taxes, Estate Planning. Insurance and Protection • Concentrated Single Asset Wealth. Diversification • Lifetime Investment Advice. Goal-Based Finance Real Estate. Wealth, Status, Investment, Speculation. The great handicap of an initial loss	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
13	Course 13 Lifetime Financial Advice as Integrated framework for Human Capital and Asset Allocation: • Investment Policy • Taxes, Estate Planning. • Concentrated Single Asset Wealth • Lifetime Investment Advice. Goal-Based Finance Couple and Family Finance: • Personal Finance. Masculine, Feminine Finance and Couple Finance • The Future of Investment Services and Products should address mostly feminine clients. • The matrimonial financial risk • Efficient Assets Allocation: Economic and Financial intelligence, continuous learning	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
14	Course, final. Recapitulation of knowledge acquired at the course and seminars dedicated to the efficient management of individual finances with the evaluation and quantification of the influences of the psychological factors on the investment decision at the level of a dynamically managed portfolio, proactively correlated with the individual financial profile (risk profiling profiling) and its modification according to the personal, economic, professional, social circumstances of the individual. Review. Exam and preparation of the Research Seminar. Session of personal, academic, professional development	Class debates, applications and case study analysis. Pros, cons debates, public speaking	

Bibliography

- Dan Ariely, Predictably Irrational: The Hidden Forces That Shape Our Decisions Paperback, 2009
- Shiller R., Irrational Exuberance, 2000
- Kahneman, D., Maps of bounded rationality: A perspective on intuitive judgment and choice", [Nobel Prizes 2002], Frangsmyr (Ed.), Stockholm, Sweden, 2003
- Mitroi Adrian, Mitroi Adrian -"Finanțe Comportamentale" - capitol în Piața de Capital, colectiv, Editura ASE, București, ISBN 978-606-505- 384, anul 2011, 2014
- Sharpe, William F., Investors and Markets: Portfolio Choices, Asset Prices and Investment Advice", Princeton University Press, 2007, 1964
- Michael Pompian, Behavioral Finance and Wealth Management, 2013
- Kahneman, D.; Tversky, A., Prospect Theory: An Analysis of Decision under Risk", Econometrica, XLVII, 1979
- Fama, Eugene F., Market Efficiency, Long-Term Returns, and Behavioral Finance." Social Sciences Research Network, 1997
- Shefrin, Hersh and Statman, Meir, Behavioral Portfolio Theory The Journal of Financial and Quantitative Analysis, Vol. 35, No. 2 (Jun.), 2000

8.2. S(S)	Teaching/Work methods	Recommendations for students

1	Course, Seminar, Case Study, Exam introduction: • The new Economy of Finance and Investments • Internet investment advice. Active vs. Passive • The future of the investment finance profession • Political Economy. Social media, fake news • Institutional Investors. Central Banks. Fiscal view Integration of advanced concepts, theories and models specific to individual investment management and personal asset allocation • Develop the skill to survive and to thrive in future job market and refine the financial markets' expertise with training exercise into the classroom on macro and financial economics, market and asset behavior. Real examples in real time about the financial market – operations, institutions and individuals • Case studies presentations provide students with a visual introduction to the financial markets' volatility, random walk	Class debates, applications and case study analysis. Pros, cons debates, public speaking Make critical judgments, investment assumptions for capital market expectations	
2	The Behavioral Economy new perspective on markets: • Risk definition by Behavioral Finance. Different. • Behavioral New Economy, the hedonic feel-good factor of the modern financial consumer • Digital: Advent of robo-advising, algo-trading, meta-analysis, HFT, ETFs, Index and Passive • What's new: Neuroeconomics, Social Media Integration of advanced concepts, theories and models specific to individual investment management and personal asset allocation • Develop the skill to survive and to thrive in future job market and refine the financial markets' expertise with training exercise into the classroom on macro and financial economics, market and asset behavior. Real examples in real time about the financial market – operations, institutions and individuals	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
3	The Behavioral Economy new perspective on markets: • Risk definition by Behavioral Finance. Different. • Behavioral New Economy, the hedonic feel-good factor of the modern financial consumer • Digital: Advent of robo-advising, algo-trading, meta-analysis, HFT, ETFs, Index and Passive • What's new: Neuroeconomics, Social Media Understand the resorts behind their decision-making processes • Develop practical tools to improve portfolio and risk management methods, so in the end to better serve the client-owner of the funds managed and finally for the better good of society at large	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
4	The Behavioral Finance theory, three Noble's on BF: • Prospect Theory • Irrational Exuberance • Behavioral Nudge • Other: Regret Theory, Cognitive Dissonance, Herd, Anomaly, Fear, Greed, Evil Economics • Acquiring technical competence in applied behavioral finance and fostering a clear understanding of how instruments and financial market operates for the benefits of investment public at large • Integration of advanced concepts, theories and models specific to individual investment management and personal asset allocation	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
5	The Behavioral Finance Decision Making Processes: • Market inefficiency and anomalies. • Market. Trend. Momentum. Contrarian Investing • Bubbles and Crashes. Irrational Exuberance • Value, Growth and Market Investment Portfolios • Behavioral Asset Allocation, tactical, strategic • Develop the skill to survive and to thrive in future job market and refine the financial markets' expertise with training exercise into the classroom on macro and financial economics, market and asset behavior. Real examples in real time about the financial market – operations, institutions and individuals	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
6	Couple and Family Finance: • Real Estate. Wealth, Status, Investment, Speculation. The great handicap of an initial loss • Personal Finance. Masculine, Feminine Finance and Couple Finance • The Future of Investment Services and Products should address mostly feminine clients. • The matrimonial financial risk	Class debates, applications and case study analysis. Pros, cons debates, public speaking	

7	Behavioral Biases. Individuals, Groups, Organization, Markets and Public Behavior: • Cognitive Errors (Perseverance of belief and Credo, Information Processing bias, Status Quo) • Emotional Biases (Loss and regret aversion, Overconfidence, Cognitive Dissonance, Self-Control, Attribution, Break even, Mental Accounting, Endowment, House Money effect) • Behavioral Factors Biases and Errors for: - Client Advisor (Investor types, Risk Tolerance - Analyst Forecast, Internet Biased News, Facts vs. Opinions, Digital Economy, Fake info-news - Investment Portfolio Construction (inertia familiarity, status quo, preference, default comfort zone, reference point) -Omission and commission. Regret of error	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
8	Behavioral Biases. Individuals, Groups, Organization, Markets and Public Behavior: • Cognitive Errors (Perseverance of belief and Credo, Information Processing bias, Status Quo) • Emotional Biases (Loss and regret aversion, Overconfidence, Cognitive Dissonance, Self-Control, Attribution, Break even, Mental Accounting, Endowment, House Money effect) • Behavioral Factors Biases and Errors for: - Client Advisor (Investor types, Risk Tolerance - Analyst Forecast, Internet Biased News, Facts vs. Opinions, Digital Economy, Fake info-news - Investment Portfolio Construction (inertia familiarity, status quo, preference, default comfort zone, reference point) -Omission and commission. Regret of error	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
9	Goal-based Investment Finance: • Kids' Education • Life and wealth and health Insurance • Retirement Risk • Longevity Risk • Efficient Assets Allocation: Economic and Financial intelligence, continuous learning	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
10	Managing Individual Investment Portfolios: • Behavioral Asset Allocation vs. Security Selection • Behavioral Portfolio Management • Asset Pricing and Market Efficiency • Asset and Liability Management. Wealth Fragility • Index and Passive, Internet Auto pilot Investing	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
11	Human Factor Analysis for Investment Management: • The investment decision-making process, behavioral biases and cognitive errors • Life continuous education. Kids' Education • Life and wealth and health Insurance • Personality and Culture • Investor Profiling	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
12	Lifetime Financial Advice as Integrated framework for Human Capital and Asset Allocation: • Investment Policy • Taxes, Estate Planning. • Concentrated Single Asset Wealth • Lifetime Investment Advice. Goal-Based Finance	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
13	Lifetime Financial Advice as Integrated framework for Human Capital and Asset Allocation: • Investment Policy • Taxes, Estate Planning. • Concentrated Single Asset Wealth • Lifetime Investment Advice. Goal-Based Finance	Class debates, applications and case study analysis. Pros, cons debates, public speaking	
14	Recapitulation. Exam and Research Seminar preparation Personal development session. Academic, professional	Class debates, Final presentations applications and case study analysis. Pros, cons debates, public speaking	

Bibliography

- Dan Ariely, Predictably Irrational: The Hidden Forces That Shape Our Decisions Paperback
- Adrian T. Mitroi, Individual Investment Decision Making Process. Biases and, http://www.utgjiu.ro/revista/?s=ec; http://www.utgjiu.ro/revista/ec/pdf/2014-01/36_Mitroi%20Adrian.pdf
- Adrian T. Mitroi, Biases, Anomalies, Psychology of a Loss and Individual Investment Decision Making, http://www.ecocyb.ase.ro/nr20141/Mitroi%20Adrian.pdf
- Adrian T. Mitroi, Behavioral Finance: biased individual investment decision making: like the company but dislike the investment, Economics http://www.ectap.ro/behavioral-finance-biased-individual-investmentdecision-making-like-the-company-but-dislikethe-investment-adrian-mitroi/a943/
- Mitroi Adrian -"Finanțe Comportamentale" - capitol în Piața de Capital, colectiv, Editura ASE, București, ISBN 978-606-505- 384, anul 2011
- Sharpe, William F., "Investors and Markets: Portfolio Choices, Asset Prices and Investment Advice", Princeton University Press, 2007
- Shiller, Robert J., Finance and the Good Society, 2012 by Princeton University Press
- Michael Pompian, Behavioral Finance and Wealth Management, 2013

9. Corroboration of the contents of the discipline with the expectations of the representatives of the epistemic community, of the professional associations and representative employers in the field associated with the programme

Discussing the content of the discipline with specialists, financial professionals, consulting and investment management companies, securities intermediaries, investment consultants, brokers, professional associations.

10. Assessment

Type of activity	Assessment criteria	Assessment methods	Percentage in the final grade
10.1. S(S)	1. One individual, with topic and key research question indicated at the Class. This subject is common to all. The 3 Nobles for Behavioral Finance 2. One individual, with an extended review and own logic of a colleague paper 3. One group presentation. Group of two. Each with a contrarian perspective 4. One individual, with topic and research question chosen by student, with relevance to Course subjects. Public presentation exercise.	Oral examination, administered online.	50.00
10.2. Final assessment	1. One individual, with topic and key research question indicated at the Class. This subject is common to all. The 3 Nobles for Behavioral Finance 2. One individual, with an extended review and own logic of a colleague paper 3. One group presentation. Group of two. Each with a contrarian perspective 4. One individual, with topic and research question chosen by student, with relevance to Course subjects. Public presentation exercise.	Oral examination, administered online.	50.00
10.3. Modality of grading	Whole notes 1-10		
10.4. Minimum standard of performance	Solving and presenting all case studies. Realization of a project that involves the elaboration of an individual investment plan about: the perception of the individual investor and his behavior during the financial crisis, the management of individual assets, the influence of psychological factors on financial and investment decisions The ability to make, articulate, present strategic financial decisions in the field of individual and behavioral finance, to understand the context, relevance, relevance of the advice offered by the science of applied behavioral finance. The ability to analyze, measure, relate to risk and other parameters to measure the achievement of individual investment management objectives, to analyze empirically and to present the result and sustainability of investment performance of the individual portfolio, rigorously managed according to modern principles of behavioral finance.		

Date of listing,
10/30/2024

Signature of the discipline leaders,

Date of approval in the
department

Signature of the Department Director,