Psychology and Financial Markets

Behavioral finance studies how the psychology of investors and managers affects financing and investment choices and market prices. We cover evidence from psychology and financial markets, and recent modeling approaches. Topics include preferences and information processing of investors and managers, the role of arbitrage and asset prices, and firm behavior in an inefficient market. There are rich opportunities for future research in this rapidly-evolving field. Behavioral economics and finance also provide a basis for social economics and finance, the study of how social interactions affect economic and financial behavior.

Open to all PhD students with one-year PhD-level economics training.

Instructor: Prof. David Hirshleifer

3 unit class, meets Fridays, 1:30pm-4:20pm, full semester (starting Jan. 10)

Students may enroll for credit in more than one special topics class (FBE 670).

Questions? Contact Helen at 213.740-6554 or hpitts@marshall.usc.edu

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