FINC20030 *Behavioural Finance*
Term 2 - 2020

All details in this unit profile for FINC20030 have been officially approved by CQUniversity and represent a learning partnership between the University and you (our student). The information will not be changed unless absolutely necessary and any change will be clearly indicated by an approved correction included in the profile.

General Information

Overview

In this unit you will contextualise insights about client relationships that you have gained in previous studies or professional practice within an advanced understanding of the psychology of investor behaviour and the professional relationship itself. You will explore the dynamics of client relationships and behaviour in terms of advanced behavioural finance theories. You will have the opportunity to examine the client/advisor relationship from various perspectives as well as the realities of investor behaviour. You will review and apply recent developments in the fields of Behavioural Economics and Behavioural Finance and consider their applications to professional practice.

Details

Career Level: *Postgraduate*
Unit Level: *Level 8*
Credit Points: *6*
Student Contribution Band: *10*
Fraction of Full-Time Student Load: *0.125*

Pre-requisites or Co-requisites

There are no requisites for this unit.
Important note: Students enrolled in a subsequent unit who failed their pre-requisite unit, should drop the subsequent unit before the census date or within 10 working days of Fail grade notification. Students who do not drop the unit in this timeframe cannot later drop the unit without academic and financial liability. See details in the Assessment Policy and Procedure (Higher Education Coursework).

Offerings For Term 2 - 2020

- Online

Attendance Requirements

All on-campus students are expected to attend scheduled classes – in some units, these classes are identified as a mandatory (pass/fail) component and attendance is compulsory. International students, on a student visa, must maintain a full time study load and meet both attendance and academic progress requirements in each study period (satisfactory attendance for International students is defined as maintaining at least an 80% attendance record).

Website

This unit has a website, within the Moodle system, which is available two weeks before the start of term. It is important that you visit your Moodle site throughout the term. Please visit Moodle for more information.

Class and Assessment Overview

Recommended Student Time Commitment
Each 6-credit Postgraduate unit at CQUniversity requires an overall time commitment of an average of 12.5 hours of study per week, making a total of 150 hours for the unit.

Class Timetable

Regional Campuses
Bundaberg, Cairns, Emerald, Gladstone, Mackay, Rockhampton, Townsville

Metropolitan Campuses
Adelaide, Brisbane, Melbourne, Perth, Sydney

Assessment Overview
1. **Literature Review or Systematic Review**
Weighting: 30%
2. **Case Study**
Weighting: 40%
3. **Presentation**
Weighting: 30%

Assessment Grading
This is a graded unit: your overall grade will be calculated from the marks or grades for each assessment task, based on the relative weightings shown in the table above. You must obtain an overall mark for the unit of at least 50%, or an overall grade of 'pass' in order to pass the unit. If any 'pass/fail' tasks are shown in the table above they must also be completed successfully ('pass' grade). You must also meet any minimum mark requirements specified for a particular assessment task, as detailed in the 'assessment task' section (note that in some instances, the minimum mark for a task may be greater than 50%). Consult the University's Grades and Results Policy for more details of interim results and final grades.

CQUniversity Policies

All University policies are available on the CQUniversity Policy site.
You may wish to view these policies:

- Grades and Results Policy
- Assessment Policy and Procedure (Higher Education Coursework)
- Review of Grade Procedure
- Student Academic Integrity Policy and Procedure
- Monitoring Academic Progress (MAP) Policy and Procedure – Domestic Students
- Monitoring Academic Progress (MAP) Policy and Procedure – International Students
- Student Refund and Credit Balance Policy and Procedure
- Student Feedback – Compliments and Complaints Policy and Procedure
- Information and Communications Technology Acceptable Use Policy and Procedure

This list is not an exhaustive list of all University policies. The full list of University policies are available on the CQUniversity Policy site.

Previous Student Feedback

Feedback, Recommendations and Responses

Every unit is reviewed for enhancement each year. At the most recent review, the following staff and student feedback items were identified and recommendations were made.

Feedback from Have Your Say

Feedback

Students reported the unit was "Interesting unit, well presented"

Recommendation

This unit will continue to use lecturers with professional experience in order to maintain a strong reputation for the value this unit offers.

Feedback from Have Your Say

Feedback

Students stated they "would have liked for all of the material to be available a little earlier"

Recommendation

All major development for this unit is now complete and content will be available from orientation week in future terms.

Unit Learning Outcomes

On successful completion of this unit, you will be able to:

1. Critically articulate the major components of Behavioural Finance and Behavioural Economics theory
2. Interpret client relationships in terms of Behavioural Finance and related theories
3. Apply different cultural frameworks to the client relationship situation to suggest innovative and culturally sensitive solutions.

This unit has been designed to conform to the requirements of the Financial Planning Education Council, the guidelines formulated by FASEA Standards Authority and the mandated higher education standards stated in the Corporations Amendment (Professional Standards of Financial Advisers) Act.

Alignment of Learning Outcomes, Assessment and Graduate Attributes

— N/A Level   ○ Introductory Level   ● Intermediate Level   ● Graduate Level   ○ Professional Level   ○ Advanced Level

Alignment of Assessment Tasks to Learning Outcomes

Assessment Tasks	Learning Outcomes		
	1	2	3
1 - Literature Review or Systematic Review - 30%	●		
2 - Case Study - 40%		●	●
3 - Presentation - 30%	●	●	●

Alignment of Graduate Attributes to Learning Outcomes

Graduate Attributes	Learning Outcomes		
	1	2	3
1 - Knowledge	○	○	
2 - Communication	○	○	○
3 - Cognitive, technical and creative skills		○	
4 - Research	○		
5 - Self-management	○		
6 - Ethical and Professional Responsibility			○
7 - Leadership	○	○	○
8 - Aboriginal and Torres Strait Islander Cultures			

Alignment of Assessment Tasks to Graduate Attributes

Assessment Tasks	Graduate Attributes							
	1	2	3	4	5	6	7	8
1 - Literature Review or Systematic Review - 30%	○			○	○			
2 - Case Study - 40%	○	○	○			○		
3 - Presentation - 30%		○					○	

Textbooks and Resources

Textbooks

There are no required textbooks.

IT Resources

You will need access to the following IT resources:

- CQUniversity Student Email
- Internet
- Unit Website (Moodle)

Referencing Style

All submissions for this unit must use the referencing style: American Psychological Association 7th Edition (APA 7th edition)
For further information, see the Assessment Tasks.

Teaching Contacts

Mark McConnell Unit Coordinator
m.mcconnell@cqu.edu.au

Schedule

Week 1 - 13 Jul 2020

Module/Topic	Chapter	Events and Submissions/Topic
Introduction to Behavioural Finance • What is behavioural finance [BF]? • Validity of BF in connection with clients and financial advice • How BF theories guide the creation of investors' portfolios • Impact of behavioural biases on investor decisions and advisor-client process	Refer to Study Guide for Week 1 Prescribed and Supplementary Reading	Refer to Week 1 in Moodle for: • Study Guide and Week 1 Questions and Applications • Webinar Agenda

Week 2 - 20 Jul 2020

Module/Topic	Chapter	Events and Submissions/Topic
History of Behavioural Economics - what can be learned? Historical links between Behavioral Economics and Psychology: • Every bubble bursts • The concept of rational economic man [homo economics] and how it ignored human reasoning • Lessons from experimental economics	Refer to Study Guide for Week 2 Prescribed and Supplementary Reading	Refer to Week 2 in Moodle for: • Study Guide and Week 2 Questions and Applications • Webinar Agenda

Week 3 - 27 Jul 2020

Module/Topic	Chapter	Events and Submissions/Topic
Perspectives in Behavioural Finance Part 1 Overview of efficient market theory, hypothesis and anomalies: • Efficient markets versus irrational markets • Efficient market theory versus the perspectives of actual portfolio managers	Refer to Study Guide for Week 3 Prescribed and Supplementary Reading	Refer to Week 3 in Moodle for: • Study Guide and Week 3 Questions and Applications • Webinar Agenda

Week 4 - 03 Aug 2020

Module/Topic	Chapter	Events and Submissions/Topic
Perspectives in Behavioural Finance Part 2 Practical applications and case studies: • Designing the right portfolio for the client regardless of market fluctuations	Refer to Study Guide for Week 4 Prescribed and Supplementary Reading	Refer to Week 4 in Moodle for: • Study Guide and Week 4 Questions and Applications • Webinar Agenda

Week 5 - 10 Aug 2020

Module/Topic	Chapter	Events and Submissions/Topic

Behavioural Biases and the Investor Part 1
Critical review of literature and research related to:
• Understanding self and others
• Behavioural biases, the investor and behaviour-modifying benefits
• Decision making and judgements under uncertainty
• Behaviours that cause investment mistakes

Refer to Study Guide for Week 5 Prescribed and Supplementary Reading

Refer to Week 5 in Moodle for:
• Study Guide and Week 5 Questions and Applications
• Webinar Agenda

Exploratory Literature Review of Behavioural Economics and Finance Theory and Contemporary Applications Due: Week 5 Friday (14 Aug 2020) 11:45 pm AEST

Vacation Week - 17 Aug 2020

Module/Topic	Chapter	Events and Submissions/Topic
Vacation week	Vacation week	Vacation week

Week 6 - 24 Aug 2020

Module/Topic	Chapter	Events and Submissions/Topic
Behavioural Biases and the Investor Part 2 Practical applications and case studies: • Investor personality theory applied to advice • Identifying behavioural biases and managing the effect of bias • Cognitive dissonance bias test and recognising inconsistencies between actions and beliefs	Refer to Study Guide for Week 6 Prescribed and Supplementary Reading	Refer to Week 6 in Moodle for: • Study Guide and Week 6 Questions and Applications • Webinar Agenda

Week 7 - 31 Aug 2020

Module/Topic	Chapter	Events and Submissions/Topic
Behavioural Finance and Investor Profiles Part 1 Critical review of literature and research related to: • BF, risk profile, and risk tolerances • Limitations of risk tolerance questionnaires and connecting professional obligations to BF • Exploring the argument for risk and scenario analysis and having clients understand the extremes	Refer to Study Guide for Week 7 Prescribed and Supplementary Reading	Refer to Week 7 in Moodle for: • Study Guide and Week 7 Questions and Applications • Webinar Discussion Special Feature: When should advisers adapt asset allocation to moderate or counteract biased client reasoning?

Week 8 - 07 Sep 2020

Module/Topic	Chapter	Events and Submissions/Topic
Behavioural Finance and Investor Profiles Part 2 Practical applications and case studies: • Asset allocation and the clients' natural psychological tendencies and bias • Creating a behaviourally modified portfolio	Refer to Study Guide for Week 8 Prescribed and Supplementary Reading	Refer to Week 8 in Moodle for: • Study Guide and Week 8 Questions and Applications • Webinar Agenda

Week 9 - 14 Sep 2020

Module/Topic	Chapter	Events and Submissions/Topic

Module/Topic	Chapter	Events and Submissions/Topic
Behavioural Finance and Holistic Financial Advice Part 1 Critical review of literature and research related to: • Interpersonal communication skills; • Self-efficacy [and allied theories] and cognitive behavioural coaching in the financial planning context	Refer to Study Guide for Week 9 Prescribed and Supplementary Reading	Refer to Week 9 in Moodle for: • Study Guide and Week 9 Questions and Applications • Webinar Agenda **Case Study: Application of Behavioural Finance to the Practice of Professional Financial Planning** Due: Week 9 Friday (18 Sept 2020) 11:45 pm AEST

Week 10 - 21 Sep 2020

Module/Topic	Chapter	Events and Submissions/Topic
Behavioural Finance and Holistic Financial Advice Part 2 Practical application and case studies: • Enhancing the client-advice approach • Delivering on client expectations based on their biases • Enhancing the client-adviser bond by deeper understanding of fears and motives • Designing the right portfolio for the client regardless of market fluctuations	Refer to Study Guide for Week 10 Prescribed and Supplementary Reading	Refer to Week 10 in Moodle for: • Study Guide and Week 10 Questions and Applications • Webinar Agenda

Week 11 - 28 Sep 2020

Module/Topic	Chapter	Events and Submissions/Topic
Behavioural Finance and Managing the Client Relationship Practical application and case studies: • Connecting BF and the role of the Financial Advisor as coach and teacher • Understanding client financial efficacy and the impact on the maintenance of the client's financial plan	Refer to Study Guide for Week 11 Prescribed and Supplementary Reading	Refer to Week 11 in Moodle for: • Study Guide and Week 11 Questions and Applications • Webinar Agenda

Week 12 - 05 Oct 2020

Module/Topic	Chapter	Events and Submissions/Topic
Contemporary Issues - Financial literacy in Australia Discussion: • Financial literacy - trends and challenges • Providing advice based on client financial literacy and financial efficacy	Refer to Study Guide for Week 12 Prescribed and Supplementary Reading	Refer to Week 12 in Moodle for: • Study Guide and Week 12 Questions and Applications • Webinar Agenda **Case Study Presentation** Due: Week 12 Friday (9 Oct 2020) 11:45 pm AEST

Review/Exam Week - 12 Oct 2020

Module/Topic	Chapter	Events and Submissions/Topic
Finalisation of grades		

Exam Week - 19 Oct 2020

Module/Topic	Chapter	Events and Submissions/Topic
End of Term Unit Coordinator Report		Available after finalisation by the various Committees.

Assessment Tasks

1 Exploratory Literature Review of Behavioural Economics and Finance Theory and Contemporary Applications

Assessment Type
Literature Review or Systematic Review

Task Description
This is an individual Assignment. Comprehensive guidelines, submission instructions, resources and marking criteria will be available on Moodle in the ASSESSMENT Section.

In summary, you are required to explore a range of publications [minimum 6] including academic articles, professional and media on the topic of behavioral finance and present an overview of the literature covering:

- descriptions of the interventions used in other contexts
- highlights of results, discussions and conclusions which inform the practice of professional financial planning.

A broad range of articles are provided for your review in the ASSESSMENT Section. However, you may extend your research and include other relevant literature or media.
An APA Referencing Guide is provided in ASSESSMENT RESOURCES which shows how to correctly cite the articles and create a reference list.

Assessment Due Date
Week 5 Friday (14 Aug 2020) 11:45 pm AEST
Refer to Submission Instructions on Moodle in the ASSESSMENT Section

Return Date to Students
Week 7 Friday (4 Sept 2020)
Feedback will be made via Moodle

Weighting
30%

Assessment Criteria
Details of the marking criteria and expectations will be provided on Moodle in the ASSESSMENT Section.

Referencing Style

- American Psychological Association 7th Edition (APA 7th edition)

Submission
Online

Submission Instructions
Refer to Submission Instructions on Moodle in the ASSESSMENT Section

Learning Outcomes Assessed

- Critically articulate the major components of Behavioural Finance and Behavioural Economics theory

Graduate Attributes

- Knowledge
- Research
- Self-management

2 Case Study: Application of Behavioural Finance to the Practice of Professional Financial Planning

Assessment Type
Case Study

Task Description
This is an individual assignment. Comprehensive guidelines, submission instructions, resources and marking criteria will be available on Moodle in the ASSESSMENT Section.

In summary, you will draw from the literature review in Assessment 1 and report your observations on how behavioural finance theory and interventions can be applied into the financial planning advice and client-relationship process and procedure. You are strongly encouraged to consider your own practice as a case study or another firm's practices which

you are familiar with.

Important Note: Your observations in this case study will become the foundations of the Assessment 3 presentation.

Assessment Due Date
Week 9 Friday (18 Sept 2020) 11:45 pm AEST
Refer to Submission Instructions on Moodle in the ASSESSMENT Section

Return Date to Students
Week 11 Friday (2 Oct 2020)
Feedback via Moodle

Weighting
40%

Assessment Criteria
Details of the marking criteria and expectations will be provided on Moodle in the ASSESSMENT Section.

Referencing Style

- [American Psychological Association 7th Edition (APA 7th edition)](#)

Submission
Online

Submission Instructions
Refer to Submission Instructions on Moodle in the ASSESSMENT Section

Learning Outcomes Assessed

- Interpret client relationships in terms of Behavioural Finance and related theories
- Apply different cultural frameworks to the client relationship situation to suggest innovative and culturally sensitive solutions.

Graduate Attributes

- Knowledge
- Communication
- Cognitive, technical and creative skills
- Ethical and Professional Responsibility

3 Case Study Presentation

Assessment Type
Presentation

Task Description
This is an individual assignment. Comprehensive guidelines, submission instructions, resources and marking criteria will be available on Moodle in the ASSESSMENT Section.

In summary, you are required to present the highlights of your case study [Assessment 2] as a 15-minute presentation showing how and where applications of behavioural finance can enhance the practice of professional financial planning.

Presentations are pre-recorded via Zoom and/or PowerPoint Slide.

Important Notes:
Due to file size issues with both YouTube and Moodle, please see the Assessment Guidelines for more detail and/or contact the Unit Co-ordinator, a.mcinnes@cqu.edu.au to discuss.

Assessment Due Date
Week 12 Friday (9 Oct 2020) 11:45 pm AEST
Refer to Submission Instructions on Moodle in the ASSESSMENT Section

Return Date to Students
Exam Week Friday (23 Oct 2020)
Feedback will be made via Moodle

Weighting
30%

Assessment Criteria
Details of the marking criteria and expectations will be provided on Moodle in the ASSESSMENT Section.

Referencing Style

- American Psychological Association 7th Edition (APA 7th edition)

Submission
Online

Learning Outcomes Assessed

- Critically articulate the major components of Behavioural Finance and Behavioural Economics theory
- Interpret client relationships in terms of Behavioural Finance and related theories
- Apply different cultural frameworks to the client relationship situation to suggest innovative and culturally sensitive solutions.

Graduate Attributes

- Communication
- Leadership

Academic Integrity Statement

As a CQUniversity student you are expected to act honestly in all aspects of your academic work.

Any assessable work undertaken or submitted for review or assessment must be your own work. Assessable work is any type of work you do to meet the assessment requirements in the unit, including draft work submitted for review and feedback and final work to be assessed.

When you use the ideas, words or data of others in your assessment, you must thoroughly and clearly acknowledge the source of this information by using the correct referencing style for your unit. Using others' work without proper acknowledgement may be considered a form of intellectual dishonesty.

Participating honestly, respectfully, responsibly, and fairly in your university study ensures the CQUniversity qualification you earn will be valued as a true indication of your individual academic achievement and will continue to receive the respect and recognition it deserves.

As a student, you are responsible for reading and following CQUniversity's policies, including the **Student Academic Integrity Policy and Procedure**. This policy sets out CQUniversity's expectations of you to act with integrity, examples of academic integrity breaches to avoid, the processes used to address alleged breaches of academic integrity, and potential penalties.

What is a breach of academic integrity?
A breach of academic integrity includes but is not limited to plagiarism, self-plagiarism, collusion, cheating, contract cheating, and academic misconduct. The Student Academic Integrity Policy and Procedure defines what these terms mean and gives examples.

Why is academic integrity important?
A breach of academic integrity may result in one or more penalties, including suspension or even expulsion from the University. It can also have negative implications for student visas and future enrolment at CQUniversity or elsewhere. Students who engage in contract cheating also risk being blackmailed by contract cheating services.

Where can I get assistance?
For academic advice and guidance, the Academic Learning Centre (ALC) can support you in becoming confident in completing assessments with integrity and of high standard.

What can you do to act with integrity?

Be Honest
If your assessment task is done by someone else, it would be dishonest of you to claim it as your own

Seek Help
If you are not sure about how to cite or reference in essays, reports etc, then seek help from your lecturer, the library or the Academic Learning Centre (ALC)

Produce Original Work
Originality comes from your ability to read widely, think critically, and apply your gained knowledge to address a question or problem