

**COURSE DATA****DATA SUBJECT**

Code: 43798
Name: Personal finance
Cycle: Master's Degree
ECTS Credits: 3
Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
2171 - Master's Degree in Actuarial and Financial Sciences	Facultat d'Economia	2	Second quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
2171 - Master's Degree in Actuarial and Financial Sciences	Finance	ELECTIVES

COORDINATION

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SUMMARY

This **Personal Finance** course brings the contributions of the so-called Behavioural Finance to the curriculum of the Finance student, through its application to the field that enjoys the greatest consensus about its usefulness and pedagogical validity: the analysis of individual financial decision-making. Behavioural finance explains the actions of individual investors in financial markets based on features of human behaviour that diverge from the usual assumption of rational behaviour. Special attention is paid to suboptimal spending decisions as well as the main debt and investment mistakes.

PREVIOUS KNOWLEDGE**RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE**

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

This is one of the three subjects included the module Specialization: Finance, together with Bank management and Credit risk and securitization, which are scheduled on the second term of the second year, after completing all the compulsory modules. This module can be considered as an extension of the



module Finance and introduction to insurance, which is taken in the second term of the first year, and it allows to delve into one of the specific fields of the Masters degree: the Finance one.

COMPETENCES / LEARNING OUTCOMES

2171 - Master's Degree in Actuarial and Financial Sciences

Alcanzar sólidos fundamentos para la toma de decisiones financieras: asignación de recursos en el tiempo bajo incertidumbre, estructura y funcionamiento de los mercados financieros, valoración de activos y selección de carteras.

Conocer el código de conducta del Actuario así como las normas más relevantes de la práctica profesional.

Poseer las habilidades suficientes para participar en una conversación de negocios y estar capacitado para leer literatura actuarial al menos en dos de los idiomas oficiales de la Unión Europea.

Saber realizar una gestión integral del riesgo y alcanzar los conocimientos suficientes para dar respuesta a los riesgos actuales y a los que puedan surgir resultado del cambiante entorno económico, financiero y social, con vistas a dirigir y gestionar todo tipo de entidades financieras y aseguradoras.

Saber tomar decisiones relacionadas con los riesgos evaluables económicamente.

Ser capaces de construir modelos adecuados al entorno económico empresarial a partir de las posibilidades que ofrecen las modernas tecnologías de la información y de la computación.

Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.

Students should be able to integrate knowledge and address the complexity of making informed judgments based on incomplete or limited information, including reflections on the social and ethical responsibilities associated with the application of their knowledge and judgments.

Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.

Students should demonstrate self-directed learning skills for continued academic growth.

DESCRIPTION OF CONTENTS

1. Overview of behavioural finance

1. Behavioural finance
2. Rationality versus irrationality
3. Analysis of individual financial decision making
4. Investor psychology and asset pricing theory
5. Other applications



2. Heuristics and biases

1. Availability
2. Representativeness
3. Anchoring
4. Other biases

3. Other behavioural principles

1. Framing
2. Reference point
3. Loss aversion
4. Other principles and concepts

4. Suboptimal spending decisions

1. On valuing things
2. Heuristics and biases related to buying decisions

5. Debt mistakes

1. Excessive borrowing and choosing the wrong type of debt
2. Topics on disclosure requirements and consumer financial regulation

6. Investment mistakes

1. Diversification mistakes
2. Active investing mistakes
2. Additional factors and mistakes in investment decisions

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	15,00
Classroom practices	15,00
Total hours	30,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
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Attendance at other activities	0,00
Individual or group project	17,00
Independent study and work	28,00
Preparation of lessons	0,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
Total hours	45,00

TEACHING METHODOLOGY

In theory classes the main theoretical concepts are studied, and cases and evidence that support the theory are discussed.

The remaining classes are mainly devoted to debates and other tasks, such as presenting and defending essays and reports individually or by a group of students.

EVALUATION

IMPORTANT NOTICE: This is a translation into English of the corresponding section in Spanish, which is provided for the benefit of any prospective foreign student. It is expected to be an accurate translation of the original version in Spanish. However, in case of any unintended discrepancy in meaning between both versions, the original Spanish version will prevail.

EVALUATION SYSTEM

The evaluation will consider the following items (each one weighed as indicated in each case):

Case A. Students who attend classes regularly:

1. A continuous assessment based on:

a) Class participation and the attitude towards the instructor and the classmates (10% of the final grade).

b) Assignments (20% of the grade). Every student or group of students (whose composition and size will be determined in the classroom) will have to submit the tasks assigned by the instructor, or some other similar task proposed by the students and previously accepted by the teacher. The objectives of the assignments may include, among others: (i) Analyse some complementary reading; (ii) Analyse some video related to the topics covered during the course; (iii) Prepare and carry out a debate about a controversial issue; (iv) Provide additional evidence, conducted and analysed by the students themselves, supporting any of the concepts studied in class. (Typically it will replicate some experiment, survey or empirical study previously carried out by others.); (v) Suggest some strategy that may help to avoid mistakes and biases studied in class.



Usually, the assignments must be presented and defended in the classroom, and a brief written report will have to be submitted at the discretion of the instructor. Assignments will have to be handed in before the deadline indicated in class by the instructor in order to be considered for the final grade.

2. A written final exam at the end of the term (70% of the grade).

Case B. Students who do not attend classes regularly (due to work or a company internship, that must be duly communicated and justified to the instructor at the beginning of the semester):

1. A continuous assessment based on item 1.b. above, which in this case accounts for 30% of the final grade.

2. A written final exam at the end of the term (70% of the grade).

SECOND CALL EVALUATION SYSTEM

For the second examination call, the same evaluation and weighting criteria as for the first call will be used. Those students who are evaluated on the second examination call will maintain the grade obtained in all the evaluation items except the final exam, and they will not be allowed to complete any tasks or homework that had not been previously considered for the first call.

CHANGES IN FINAL EXAMINATION SCHEDULES

Any possible change of the date and/or time of a final exam will be administered under the terms and conditions established by Article 9.2 of the "Regulation of evaluation and qualification of the University of Valencia for bachelor's and master's degrees, ACGUV 108/2017".

In particular, in case of coincidence at the same date and time of two final exams of the same degree, if according to the rules this subject must change the date or time, the student will have to submit a written request to reschedule his/her exam to the Head of the Department at least one month before the beginning of the final examination period.

You can submit your request to: dep.economia.financera@uv.es exclusively from your alumni.uv.es email address.

In order to be allowed to take the alternative exam, the student will have to prove that he/she has previously attended the coincident exam.



ACADEMIC FRAUD

Exams will be regulated by Article 13 on examination fraud of the "Regulation of evaluation and qualification of the University of Valencia for bachelor's and master's degrees, ACGUV 108/2017". Additionally, all the assessment tasks and homework will be subject to the regulation on plagiarism detailed in Article 15.2 of the same Regulation.

Furthermore, recall that all the tasks and final examinations will also be subject to the new "Action protocol for fraudulent practices at the University of Valencia. ACGUV 123/2020".

In particular, in accordance with this regulation:

1. The following practices, among others, will be considered as fraudulent: refuse to be identified or bring any unauthorized material to the examination venue, as well as plagiarism in any task and homework.
2. At the beginning of an examination, the instructor will inform the attendees about any material and objects that are strictly prohibited to be used. In any case, students are not authorized to have any electronic device within reach (such as cellular phones or any electronic mean of emitting, receiving and/or storing information), unless they are specifically permitted to do so by the instructor.
3. Every student must follow the instructions given by the teachers and must collaborate with them. In case of incidences, teachers are considered as academic authorities, and their testimony is a privileged mean of proof.

EXAMINATION REGULATIONS

The complete above-mentioned University of Valencia regulations can be found at:

<https://www.uv.es/uvweb/college/en/undergraduate-studies/academic-information/regulations/university-valencia-legislation-1285850677111.html>

REFERENCES

- Ackert, L. F. y R. Deaves (2010): Behavioral Finance: Psychology, Decision-Making, and Markets, International Edition, South-Western, Cengage Learning.
- Ariely, D. (2008): Las trampas del deseo. Ariel Ediciones. (Traducción de: Predictably Irrational, Harper Collins Publishers Ltd., 2008.)



- Thaler, R.H. y C.R. Sunstein (2009): Un pequeño empujón (Nudge), Taurus. (Traducción de: Nudge, Yale University Press, 2008; Nudge, Revised and expanded edition, Penguin Books, 2009).
- Bazerman, M. H. y D.A. Moore (2009): Judgement in Managerial Decision Making, 7th edition, John Wiley & Sons.
- Shefrin, Hersh (2002): Beyond greed and fear. Oxford University Press.