

## BEHAVIORAL FINANCE

“Understanding the Psychological Influences on Financial Decision Making”

### Schedule

Date	Venue	Fees (Face-to-Face)
05 – 09 May 2025	Dubai, UAE	USD 3495 per delegate

### Introduction

Behavioral finance explores the psychological factors that influence investor decisions, market movements, and financial outcomes. Traditional finance theory assumes that investors are rational and markets are efficient, but behavioral finance challenges these assumptions. This 5-day course delves into the cognitive biases and emotional factors that drive financial decision-making and market behavior, offering practical tools to manage these influences for better financial outcomes.

Through a combination of theoretical learning, case studies, and interactive workshops, participants will gain a deep understanding of how behavioral biases affect investment decisions, risk perception, and market fluctuations. The course also covers strategies to overcome these biases, improve decision-making processes, and apply behavioral finance insights to personal and organizational financial management.

### Objectives

By the end of this course, participants will be able to:

- Understand the core principles of behavioral finance and its impact on financial decision-making.
- Identify and analyze common cognitive biases that affect financial decision-making.
- Recognize emotional influences and their role in investment and market behavior.
- Develop strategies to mitigate biases and make more rational financial decisions.
- Apply behavioral finance concepts to personal investing, corporate finance, and market analysis.
- Enhance investment strategies by incorporating insights from behavioral finance.

## Why Attend

- Learn how to recognize and manage behavioral biases that impact your financial decision-making.
- Gain insights into investor psychology and how it shapes market behavior.
- Enhance your ability to make rational investment decisions by understanding psychological influences.
- Improve your risk management strategies by addressing emotional factors and cognitive errors.
- Develop a deeper understanding of market anomalies and inefficiencies driven by human behavior.
- Enhance your leadership skills by applying behavioral finance concepts to organizational decision-making.

## Target Audience

### This program is designed for:

- Investment professionals, financial analysts, and portfolio managers
- Risk managers, financial planners, and advisors
- Corporate finance professionals involved in investment and financial decision-making
- Psychologists or behavioral specialists interested in financial decision-making
- Anyone seeking to improve their understanding of how psychology impacts financial and investment outcomes

## Individual Benefits

### Key competencies that will be developed include:

- Advanced knowledge of behavioral finance theories and principles.
- Expertise in identifying cognitive biases and emotional influences on financial decisions.
- Skills in applying behavioral finance insights to improve investment strategies and outcomes.
- Ability to develop strategies to mitigate biases and enhance decision-making.
- Enhanced ability to assess and manage financial risk by understanding human behavior in markets.

## Organizational Benefits

### Upon completing the training course, participants will demonstrate:

- Improved decision-making and investment strategies driven by behavioral finance insights.
- Increased ability to manage market inefficiencies and anomalies in the organization's financial strategies.
- Stronger risk management processes that account for psychological factors and investor behavior.
- Enhanced financial planning and forecasting by recognizing cognitive biases and emotional influences.
- Improved understanding of market behavior, enabling better predictions and strategies for organizational growth.

## Instructional Methodology

### The course follows a blended learning approach combining theory with practice:

- **Strategy Briefings** - In-depth discussions on the principles and applications of behavioral finance.
- **Case Studies** - Real-world examples of how behavioral biases affect financial decisions and market outcomes.
- **Workshops** - Interactive sessions to apply behavioral finance concepts to financial decision-making.
- **Peer Exchange** - Group discussions and collaboration to share experiences and insights.
- **Tools** - Practical tools for identifying and mitigating biases in financial decisions.

## MAWA EVENTS

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## Course Outline

Training Hours: 7:30 AM – 3:30 PM Daily Format: 3–4 Learning Modules | Coffee breaks: 09:30 & 11:15 | Lunch Buffet: 01:00 – 02:00

### **Day 1: Introduction to Behavioral Finance Module 1: Understanding Behavioral Finance (07:30 – 09:30)**

- Overview of behavioral finance and its role in financial decision-making
- Theories and models in traditional finance versus behavioral finance
- Key differences between rational decision-making and human behavior in finance

### **Module 2: Cognitive Biases and Their Impact on Decision Making (09:45 – 11:15)**

- Identifying common cognitive biases: overconfidence, anchoring, framing, and confirmation bias
- How biases affect individual and group financial decisions
- Strategies for overcoming cognitive biases in investment decisions

### **Module 3: The Role of Emotion in Financial Decision Making (11:30 – 01:00)**

- How emotions influence investment choices and market behavior
- The psychology of risk aversion and loss aversion in financial decisions
- Managing emotional responses in investment and financial decision-making

### **Day 2: Investor Psychology and Market Behavior Module 1: The Psychology of Risk and Uncertainty (07:30 – 09:30)**

- How investors perceive and react to risk and uncertainty
- Behavioral patterns in risk-taking and loss aversion
- Applying behavioral insights to improve risk management strategies

### **Module 2: Behavioral Anomalies and Market Inefficiencies (09:45 – 11:15)**

- Understanding market anomalies driven by investor psychology
- The impact of herd behavior, bubbles, and market crashes
- How behavioral finance explains market inefficiencies and corrections

### **Module 3: The Role of Heuristics in Financial Decision Making (11:30 – 01:00)**

- How mental shortcuts (heuristics) influence financial decisions
- Common heuristics in investing: availability bias, representativeness, and anchoring
- Strategies for mitigating the negative impact of heuristics on financial decisions

### **Day 3: Behavioral Finance in Investment Strategies Module 1: Behavioral Insights in Portfolio Management (07:30 – 09:30)**

- How behavioral finance affects asset allocation and portfolio decisions
- The impact of biases on portfolio diversification and risk management
- Incorporating behavioral finance principles into portfolio management strategies

### **Module 2: Behavioral Trading and Investor Behavior (09:45 – 11:15)**

- Understanding trading behavior and its impact on market volatility
- Behavioral tendencies in individual investors versus institutional investors
- Developing strategies to avoid common trading mistakes driven by psychological factors

### **Module 3: Implementing Behavioral Finance in Investment Strategies (11:30 – 01:00)**

- Developing investment strategies that account for behavioral biases
- Strategies for improving investor decision-making and reducing cognitive errors
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Applying behavioral finance insights to achieve long-term investment success

**Day 4: Overcoming Biases in Financial Decision-Making Module 1: Strategies for Overcoming Cognitive Biases (07:30 - 09:30)**

- Techniques for recognizing and overcoming biases in financial decisions
- Using data-driven decision-making to reduce bias impact
- Developing a culture of awareness around cognitive biases in finance

**Module 2: Enhancing Behavioral Risk Management (09:45 - 11:15)**

- How behavioral finance principles can improve risk management practices
- Developing risk management strategies that account for human behavior
- Case studies on behavioral risk management successes and failures

**Module 3: Decision-Making Models and Tools (11:30 - 01:00)**

- Decision-making models that integrate behavioral finance insights
- Tools and techniques to facilitate rational decision-making in finance
- Applying decision models in portfolio management, trading, and risk analysis

**Day 5: Practical Applications and Course Wrap-Up Module 1: Case Studies in Behavioral Finance (07:30 - 09:30)**

- Analyzing real-world case studies of behavioral finance applications in financial markets
- Lessons learned from major market events driven by psychological factors
- Group discussion on strategies to mitigate bias in case study scenarios

**Module 2: Developing Personal and Organizational Financial Strategies (09:45 - 11:15)**

- How to integrate behavioral finance insights into personal investment strategies
- Organizational strategies for improving financial decision-making at all levels
- Building a more informed, rational approach to financial decision-making

**Module 3: Final Workshop and Course Wrap-Up (11:30 - 01:00)**

- Interactive workshop: Designing a behavioral finance strategy for a real-world scenario
- Course review and Q&A
- Certificate distribution and closing remarks

## Certification

Upon completing the training course, participants will receive a **Certificate of Completion in Behavioral Finance**, recognizing their ability to apply psychological insights to improve financial decision-making and investment strategies.

## Why Choose MAWA Events

- **Global Expertise:** More than 17 years of experience in professional training and consulting.
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