COURSE DETAIL

CORPORATE FINANCE: BEHAVIORAL FOUNDATIONS
Country Netherlands
Host Institution Maastricht University – University College Maastricht
Program(s) University College Maastricht
UCEAP Course Level Upper Division
UCEAP Subject Area(s) Economics Business Administration
UCEAP Course Number 145
UCEAP Course Suffix
UCEAP Official Title CORPORATE FINANCE: BEHAVIORAL FOUNDATIONS
UCEAP Transcript Title CORP FINANC:BEHAVR
UCEAP Quarter Units 6.00
UCEAP Semester Units 4.00

Course Description
Corporate finance deals with the financing and investment decisions made by the management of companies in the pursuit of shareholder wealth maximization. The course gives a broad overview of important issues in corporate finance and combines insights from economics, business, and psychology. The economic side of corporate finance deals with the maximization of shareholder wealth. To do so, managers aim at securing the greatest possible return in exchange for accepting the smallest amount of risk. For instance, a company can finance itself by borrowing money from banks, by issuing bonds or through the stock market. These types of decisions influence the expected return and risk of the company. Traditional economics assumes that managers and investors are rational self-interested people. However, there is a large body of evidence from social psychology and behavioral economics that people often act irrationally and behave pro-socially by taking the social impact of decisions into account. The course also shows how decision making biases influence managers and investors in their financial decisions and how social preferences impact factors such as corporate social responsibility. The course is largely based on real life cases that we discuss in an interactive manner. Students debate on topics such as “should CEO bonuses be reduced?” and “is it important for firms to put corporate social responsibility high on their agenda?”

Language(s) of Instruction
English

Host Institution Course Number
SSC3053

Host Institution Course Title
CORPORATE FINANCE: BEHAVIOURAL FOUNDATIONS

Host Institution Course Details

Host Institution Campus
University College Maastricht

Host Institution Faculty

Host Institution Degree
Host Institution Department Social ScienceS
Course Last Reviewed

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