

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: BEHAVIORAL FOUNDATIONS

Host Institution Campus

University College Maastricht

Host Institution Faculty

Host Institution Degree

Host Institution Department

Social Sciences

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