Behavioural Finance Training Course

Professional Development Training Course Outline

Category	Public Financial Management & Budgeting	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

Traditional financial theory assumes investors are **rational**, with perfect information and a sole focus on maximizing returns. However, real-world financial markets are often inefficient, driven by **investor psychology** and irrational behavior. Behavioral finance emerged as a crucial field that bridges the gap between economics and psychology, providing a **psychological framework** to understand why and how individuals make financial decisions. Behavioural Finance Training Course delves into the **cognitive biases** and emotional influences that impact everything from personal savings to global market trends.

By focusing on the **practical application** of behavioral principles, this course provides participants with the tools to identify and mitigate their own **behavioral biases** and those of their clients. It moves beyond abstract theories, offering a **data-driven** approach to **decision-making** that can enhance **investment performance** and **risk management**. You will learn to navigate the complexities of modern markets by recognizing patterns of **irrational behavior**, ultimately fostering more disciplined and successful financial habits.

Programme Curriculum

Behavioural Finance Training Course

Introduction

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Course Duration

5 days

Course Objectives

1. Analyze the limitations of traditional finance and the Efficient Market Hypothesis.
2. Identify and mitigate common cognitive biases and emotional heuristics.
3. Understand the psychology of money and its impact on personal and professional financial decisions.
4. Apply behavioral finance principles to enhance portfolio management and asset allocation.
5. Develop strategies to overcome loss aversion and the disposition effect.
6. Recognize and counter herd mentality and market sentiment in real-time.
7. Enhance client communication and build trust by addressing investor biases.
8. Integrate behavioral insights into risk management frameworks.
9. Utilize nudging techniques to guide clients toward better financial outcomes.
10. Evaluate the role of overconfidence and hindsight bias in trading and investment.
11. Explain how psychological factors contribute to market anomalies and bubbles.
12. Master techniques for disciplined decision-making under uncertainty.
13. Apply neurofinance concepts to understand the brain's role in financial behavior.

Organizational Benefits

- Organizations can reduce costly errors by helping employees recognize and correct behavioral biases in their own and their clients' decision-making processes.
- By understanding the **psychological drivers of risk**, companies can build more robust and effective risk management frameworks.
- Professionals equipped with behavioral finance knowledge can build stronger, more trusting relationships with clients by addressing the emotional and psychological aspects of their financial lives.
- Implementing behavioral insights provides a unique value proposition, differentiating the organization from competitors who rely solely on traditional financial models.
- Empowering employees to make more **rational financial decisions** leads to better investment outcomes and increased professional success.

Target Audience

1. Financial Advisors & Planners
2. Investment Managers & Analysts
3. Traders & Portfolio Managers
4. Wealth Managers & Private Bankers
5. Risk Managers & Compliance Officers
6. Corporate Finance Professionals
7. Asset Management Professionals
8. Individual Investors & Business Owners

Course Modules

Module 1: The Foundations of Behavioral Finance

- Traditional vs. Behavioral Finance: A historical perspective and a critique of the Efficient Market Hypothesis (EMH).
- The Psychological Toolkit: An introduction to cognitive psychology, heuristics, and the System 1/System 2 thinking model.
- Key Concepts: Bounded rationality, prospect theory, and mental accounting.
- Case Study: The 2008 Financial Crisis analyzed through the lens of herd mentality and emotional biases.
- Practical Application: Exercises to identify personal mental shortcuts in everyday financial choices.

Module 2: Cognitive Biases and Heuristics

- Understanding Systematic Errors: Deep dive into biases like anchoring, framing, and availability bias.
- Overconfidence: Exploring the illusion of knowledge and control, and its impact on trading.
- Representativeness & Confirmation Bias: The pitfalls of pattern recognition and seeking out validating information.
- Case Study: Gamestop Stock Surge - how confirmation bias and herd behavior fueled a market phenomenon.
- Practical Application: A quiz to test for hidden biases and a debrief on the results.

Module 3: Emotional Influences and Market Behavior

- Emotions in Investing: The dual forces of fear and greed and their role in market cycles.
- Loss Aversion: Why the pain of loss is twice as powerful as the joy of gain.
- The Disposition Effect: The irrational tendency to sell winners too early and hold losers too long.
- Case Study: The Dot-Com Bubble as a prime example of speculative bubbles driven by market sentiment and irrational exuberance.
- Practical Application: Techniques for developing an emotional control plan for trading and investing.

Module 4: Applications in Wealth & Portfolio Management

- Behavioral Portfolio Theory: Incorporating investor goals and biases into portfolio construction.
- Risk Perception: How individuals' subjective perception of risk can differ from objective metrics.
- Client Profiling: Creating a behavioral profile for clients to tailor advice more effectively.
- Case Study: A high-net-worth client with a strong familiarity bias, refusing to diversify beyond their company's stock.
- Practical Application: A role-playing exercise on guiding a client through an emotional market downturn.

Module 5: Behavioral Corporate Finance & M&A

- Managerial Biases: How overconfidence and groupthink affect corporate investment decisions.
- Capital Budgeting & Project Evaluation: Avoiding biases like the sunk cost fallacy and optimism bias.
- Mergers & Acquisitions: Analyzing M&A deals that fail due to behavioral issues, not financial ones.
- Case Study: The AOL-Time Warner Merger - a classic example of hubris and overconfidence leading to a disastrous deal.
- Practical Application: A group exercise on de-biasing a strategic decision-making process.

Module 6: Trading & Market Microstructure

- Psychology of Trading: Understanding the emotional rollercoaster of short-term trading.
- Pattern Recognition & Technical Analysis: The behavioral roots of technical trading indicators.
- Market Bubbles & Crashes: Deconstructing speculative frenzies from a behavioral perspective.
- Case Study: The Tulip Mania of the 17th century, the archetypal behavioral bubble.
- Practical Application: A simulated trading session with built-in behavioral traps to identify common errors.

Module 7: The Future of Behavioral Finance

- Neurofinance: The latest research on the brain activity during financial decision-making.
- Fintech & AI: How technology is being used to de-bias investing and automate rational choices.
- Big Data & Behavioral Analytics: Using data to predict and understand large-scale investor behavior.
- Case Study: The rise of robo-advisors and how they are designed to counter human biases.
- Practical Application: A discussion on the ethical implications of using behavioral insights to influence financial choices.

Module 8: Putting It All Together: A Behavioral Finance Action Plan

- Building Your Personal Action Plan: A step-by-step guide to applying course concepts to one's own life.
- Creating a Behavioral Checklist: A practical tool to use before making major financial decisions.
- Communicating Behavioral Insights: Effectively explaining complex psychological concepts to clients and colleagues.
- Case Study: A comprehensive capstone project analyzing a real-world financial decision or market event.
- Practical Application: Peer-to-peer feedback session on a personal or professional behavioral challenge.

Training Methodology

This course employs a dynamic, **hands-on** training methodology that combines theoretical knowledge with practical application. The approach includes:

- Interactive Lectures.
- Case Studies.
- Group Discussions.
- Practical Exercises.
- Action Planning.

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org or call *+254769199797*

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to Fineskill Training Center account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
23 Nov 2026	27 Nov 2026	Online	$1,000
23 Nov 2026	27 Nov 2026	Physical	$1,500
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$4,500
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$6,000

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