



UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Money and Stock-market Psychology

2122-2-F5106P019

Learning area

Fundamentals and research methods in social and economic psychology

Learning objectives

Knowledge and understanding

- The history of money and of the attitudes toward it
- The cognitive skills required in monetary economies
- Psychology applied to economics and finance
- The Behavioral Finance
- Psychology applied to saving and to the choices of savings or consumption.

Applying knowledge and understanding

- Improving the literacy on economic terms
- Improving the literacy on financial terms
- Elementary principles in asset evaluation and asset allocation
- Basic skills in decoding the psychological problems in economic/finance events
- Basic skills in decoding saving/consumption choices

Contents

In the first part of the course, topics of formation (destruction) of money and of the cognitive and affective-emotional

psychological processes connected to money, its technical management and its use in daily relations, will be addressed. The second part will focus on the particular use of money in financial investments and in securities transactions in stock markets. Throughout the course, which does **not** require prior technical skills of economics, elementary tools of monetary economics and financial calculation will be provided, useful for the most complete understanding of the course topics.

Detailed program

- The history of currency as a means of increasing abstraction
- The cognitive difficulties involved by the modern currency of credit
- The history of attitudes toward money and credit
- The currency and the psychological confidence
- The efficient markets hypothesis (EMH) and the random walk
- The exceptions that refute the EMH
- The search for solutions through the different probability theories
- The Behavioral Finance
- The panic in the financial markets
- The psychology of savings

Prerequisites

No prerequisite is indispensable to the student, beyond a basic psychological knowledge. Nor it is necessary an education in economics of any kind

Teaching methods

Lectures, discussions, seminars on specific themes, groups of students aimed at the study of specific topics.

Lessons will be held in presence unless further COVID-19-related restrictions are imposed.

Assessment methods

Oral examination only (for all students). The questions are aimed at ascertaining the effective acquisition of both theoretical knowledge and the ability to apply them to reality. The evaluation criteria are: the correctness of the answers, the ability to argue, synthesize, create links, and critically read the reality.

There is also the possibility to work on short essays, written by individuals or by groups, only on a voluntary basis. Students who apply for voluntary activities of study have an increase of study without particular advantages in the final assessment. This is because the course is based on the principle that there are no negotiations: the only "prize" is a better level of skills and culture. Years of experience show the effectiveness of this way of proceeding to improve the level of motivation and efficiency. Often students who worked more ask the thesis on the topic. Often

the acceptance of these conditions also improves the performance in the drafting of the thesis.

Textbooks and Reading Materials

Texts of examination for all students:

Ferrari L. & Romano D. F. (1999). *Mente e denaro*. Milano: Raffaello Cortina Editore.

Chapters: 1 (**excluding** the first part: from page 1 to 28), 3 and 4 (complete)

And **one** volume of your choice out of the following

1. Ferrari L., de Laurentiis D. e Scuteri A. (2019) *La consulenza finanziaria 3.0, dinamiche relazionali e tecniche di gestione alla luce della nuova finanza comportamentale*, Casa Editrice Vicolo del Pavone", Castelnuevo Scrivia, pp. 210+II.
2. Ferrari L. (2019) *Guida per il lettore contemporaneo de Il capitale di Karl Marx*", Casa Editrice Vicolo del Pavone", Castelnuevo Scrivia, pp. 260+XIII.
3. Ferrari L. (2016 – **Second edition**). *L'ascesa dell'individualismo economico*. Casa editrice Vicolo del Pavone, Castelnuevo Scrivia (chapters: **1, 2, 3, 4, 16**, and one chapter out of chapters: **5-15**).

More detailed information will be available at the proper page of the e-learning site. Client build #3 var besVer = "100";

Erasmus students can contact prof. Ferrari to agree on the possibility of studying on a bibliography in English and/or the possibility of taking the exam in English
