



UNIVERSITATEA BABEȘ-BOLYAI
BABEȘ-BOLYAI TUDOMÁNYEGYETEM
BABEȘ-BOLYAI UNIVERSITAT
BABEȘ-BOLYAI UNIVERSITY
TRADITIO ET EXCELLENTIA



Facultatea de Științe Economice și Gestiunea Afacerilor

Finance Department

Subject: Advanced Topics in Behavioral Finance and Banking

Academic Year: 2026-2027

Study program: PhD

SYLLABUS

Part I. Behavioral Finance

Topic 1. Classical Finance Theory vs. Behavioral Finance

- 1.1 Rational decision-making and Bayes' rule
- 1.2 Decision theory paradoxes and attitudes toward risk
- 1.3 Expected Utility Theory
- 1.4 Prospect Theory
- 1.5 Behavioral heuristics and biases

Topic 2. Challenges to the Efficient Market Hypothesis (EMH)

- 2.1 Forms of informational efficiency
- 2.2 Stock market anomalies
- 2.3 Testing calendar anomalies
- 2.4 Testing the overreaction hypothesis (De Bondt & Thaler, 1985)

Topic 3. Behavior in Stock Markets

- 3.1 Testing herding behavior using the CSAD methodology
- 3.2 Asymmetric effects across market states (upward/downward trends, high/low volatility)
- 3.3 Intentional versus spurious herding

Topic 4. Sentiment Analysis in Financial Communications

- 4.1 Methods for measuring investor sentiment
- 4.2 The text-as-data approach (NLP: text cleaning, tokenization, sentiment scoring)
- 4.3 Sentiment analysis of central bank communications using FinBERT

Part II. Banking

Topic 5. Banking: Theoretical and Empirical Banking Research Workflow

- 5.1 Identification strategies and inference
- 5.2 Robustness and sensitivity analysis
- 5.3 Fixed effects structures and selection issues
- 5.4 Matching approaches and robustness strategies in relationship-lending settings

Topic 6. Banking risk: Measurement, Causal Designs, and Model Risk

- 6.1 Risk measurement frameworks
- 6.2 Causal designs for banking risk (event studies, DiD, pre-trend diagnostics, heterogeneity)
- 6.3 VaR implementation and backtesting
- 6.4 Model risk and governance considerations
- 6.5 AI adoption measurement and implications for risk-taking and monitoring

Topic 7. Bank Runs, Financial Crises, and the Financial Safety Net

- 7.1 Crisis mechanisms and empirical crisis analysis
- 7.2 Systemic risk measures (market-based and network-based)
- 7.3 Contagion and resilience channels
- 7.4 Lender-of-last-resort and deposit insurance frameworks

Topic 8. Regulatory Incentives and Supervision

- 8.1 Regulatory incentives shaping bank behavior
- 8.2 Policy evaluation using event studies and DiD (including pre-trend diagnostics and heterogeneity)
- 8.3 Applications to regulatory shocks

Bibliography:

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Banking:

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- taking over the business cycle. *Journal of Financial Economics*, 106(2), 349–366.
2. Acharya, V., Pedersen, L., Philippon, T., & Richardson, M. (2017). Measuring systemic risk. *Review of Financial Studies*, 30(1), 2–47.
 3. Adrian, T., & Brunnermeier, M. K. (2016). CoVaR. *American Economic Review*, 106(7), 1705–1741.
 4. Adrian, T., & Shin, H. S. (2010). Liquidity and leverage. *Journal of Financial Intermediation*, 19(3), 418–437.
 5. Berger, A. N., & Bouwman, C. H. S. (2013). How does capital affect bank performance during financial crises? *Journal of Financial Economics*, 109(1), 146–176.
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Signatures

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