



Sungkyunkwan University (SKKU) International Summer Semester (ISS) 2025

# Investor PSY-chology and CEO Psychology

Prof. Andy KIM, SKKU Business School

**MidTerm Movie Review [35%]**

**Final Exam [45%]; No Project**

- 80% Multiple Choice Questions
- 20% Short Answer Questions
- Semi-open book: 4 pages of cheat sheets allowed

**Class code: ISS \_\_\_\_\_**

**Class hour: TBD (almost every weekday)**

**Classroom: TBD International Hall**

Email: [ayhkim@skku.edu](mailto:ayhkim@skku.edu)

Office: Business School 422

Office Hour: always open for email questions

Class webpage: iCampus site & make sure you create an account at Google Drive and **email me**

My Google Site: <https://sites.google.com/site/andyhankim/>

My YouTube Channel: <https://www.youtube.com/channel/UCCjFS5IOEXoIqn8nOgHpJRA>

## SHORT COURSE DESCRIPTION

Did you know that you could make money by watching World Cup Soccer Games? Also, you will be surprised to see PSY, the rapper of “Gangnam Style,” once triggered a stock price bubble in his father’s company as his YouTube music video went viral around the globe. Neoclassical economists have largely ignored the sentiment and emotion of the investors, but behavioral economists have found that these have a significant impact on bubbles and crashes of financial markets. Also, behavioral economists have found that the psychological traits of CEOs and leaders play an important role in determining the strategic direction of companies like M&A. The advancement of technologies like Big Data and Machine Learning enabled behavioral economists to challenge the dogma of neoclassical economists and such technologies are widely adopted in FinTech as well! We will spend the first half of the semester in learning about investor psychology and the remaining part about CEO psychology.

## READING MATERIALS

I will upload PowerPoint Slides (PDF format) and materials in the following Google Drive  
<https://drive.google.com/drive/folders/1jy9W1wED8WEvSBi1iUdqC5dwStWY7LT4?usp=sharing>

**Reference Book:** TBD

For Korean students: My e-Book is available! “부자, 관상, 기술” 김영한 (2021) 쌤앤파커스

<https://digital.kyobobook.co.kr/digital/ebook/ebookDetail.ink?selectedLargeCategory=001&barcode=4801165344314&orderClick=LEH&Kc=>

Vincent Quesada, 2017, When Tech Meets Finance ISBN: 9781976320538

## COURSE REQUIREMENTS AND GRADING

### Course Assessment

|               |      |
|---------------|------|
| Movie Review  | 35%  |
| Final Exam    | 45%  |
| Attendance    | 10%  |
| Participation | 10%  |
| Total         | 100% |

All ISS classes are pass/fail based on the student academic achievement evaluated by grades on a scale of 100 points (grade of 60 or above is Pass). **SKKU regulations require students to attend at least 80%**

of all classes. Academic dishonesty is strictly forbidden and would trigger disciplinary actions both in SKKU in your home institution.

The overall distribution of grades remains the sole authority of the instructor. Once the final course grades are posted on the GLS system, they are final. Never ask for a higher grade! Such solicitation may result in punishment (lower grade!) because the person is asking for favoritism, sacrificing his/her friends & neighbors. Besides, the Kim Young-Nan law 2016 forbids such solicitation.

**Movie Review [35%]**

You are supposed to write a three-to-four-page essay on a finance movie that I will assign later. I will also ask some specific questions related to the movie. Double space, 12-font, A4 sized paper, MS Word file. Send me via email. [ayhkim@skku.edu](mailto:ayhkim@skku.edu)

**Final Exam [45%]**

In case offline exam is possible: closed book! You need a calculator, but no telecommunication device (cell phone). In case of online exam: rather it would be more of essay based 24-hour take-home exam.

**Calculator Policy:**

I encourage you to use financial calculators, such as Texas Instrument BA2-Plus. This is the calculator allowed in CFA exams anyway, so it's good to familiarize yourself from now! BTW, CFA (Level 1) is well worth taking it as long as you take this class or any finance classes.

**Attendance [10%]**

Come to offline class! 100% offline!

**Participation [10%]**

**Tentative Class Schedule [it may change!!!]**

| Class | Topics Covered  |
|-------|---|
| 1     | Intro   |
|       | Investor PSY-chology surrounding Gangnam Style                                  |
|       | DI Corp - BUY/HOLD/SELL: Why?   |
|       | TOSS Bank IPO with PB Ratio based valuation                                     |
| 2     | Efficient Market Hypothesis: backbone of Neoclassical Econ (1)                  |
|       | Weak Form, Semi-Strong Form, and Strong Form EMH + evidence                     |
|       | Five reasons why EMH is such a centerpiece in neoclassical economics            |
| 3     | Five reasons why EMH is such a centerpiece in neoclassical economics            |
|       | Three scenarios supporting flat demand curve of securities                      |
| 4     | Evidence against Weak Form EMH  |
|       | January Effect  |
|       | Momentum, color psychology, and momentum crashes                                |
|       | Why you should invest in US market, not Korea! - momentum vs Ambiguity aversion |
| 5     | Evidence against Weak Form EMH  |
|       | Overreaction: Long-run and short-run  |
|       | Industry momentum   |
|       | Deep Learning based chartist algorithmic trading                                |
|       | CAPM Refresher  |
| 6     | Evidence against Semi-Strong Form EMH [1]                                       |
|       | a. Size Effect, b. Value Effect   |
|       | Factor based quant trading  |
| 7     | Evidence against Semi-Strong Form EMH [2]                                       |
|       | Bounded rationality, limited attention and media triggered bubble               |
|       | Active ETF: Short JIM vs Long JIM   |
| 8     | Expected Utility Theory: backbone of Neoclassical Econ (2)                      |
|       | Basic stories   |
|       | Bayesian Updating   |
| 9     | Overconfidence  |
|       | Self-attribution bias = dynamic overconfidence                                  |
| 10    | Prospect Theory: The heart of behavioral economics                              |
|       | Are we always risk averse?  |
|       | Why is my stock account so blue (Korea)?  |
| 11    | High Frequency Trading - Arms Race  |
|       | Short Selling vs noise trader risk  |
|       | Why can't we trust public opinion about short sellers in Korea?                 |
| 12    | Short squeeze: GameStop 2021  |
|       | Wolf of Wall Street: Who gets rigged?   |
| 13    | Pump & Dump: Korean style 2023 by Chang Jung LIM                                |
|       | Quantifying investor sentiment [1]  |
|       | Worldcup Soccer Games and stock investment                                      |
|       | Sentiment index - conventional version  |
| 14    | Quantifying investor sentiment [2]  |
|       | Natural Language Processing, Naïve Bayesian Classifier                          |
|       | ChatGPT and roboadvisor   |
| 15    | Final Exam  |