

***ANALYSIS EFFECT OF OVERCONFIDENCE, RISK AVERSION,
HERDING BIAS, FINANCIAL LITERACY, AND RISK TOLERANCE ON
INVESTMENT DECISION MAKING OF REAL ESTATE IN BATAM CITY***

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Abstract

This research was conducted to determine the factors that influence investment decision making in real estate investment in Batam city. The researcher used the variable overconfidence, risk aversion, herding bias, financial literacy, and risk tolerance as independent variables. This research was conducted using 164 respondents who were taken randomly, namely residents of Batam city who lived around the work environment and the residence of researchers. The data is processed using the SPSS program in testing Descriptive Statistics, Outlier Tests, Multicollinearity Tests, Heteroscedasticity Tests, Autocorrelation Tests, F Tests, t Tests, and R Square Tests.

In this study, overconfidence, risk aversion, herding bias, financial literacy, and risk tolerance showed a significant positive effect on investment decision making in real estate investment in Batam City.

Keyword: *overconfidence, risk aversion, herding bias, financial literacy, risk tolerance, investment decision making*