ANALYSIS OF THE INFLUENCE OF OVERCONFIDENCE, EXCESSIVE OPTIMISM, PSYCHOLOGY OF RISK, HERDING BEHAVIOUR, EXCESSIVE PESSIMISTIC ON INVESTOR STOCK INVESTMENT DECISIONS IN BATAM

NPM: 1541193
Lisa

ABSTRACT

In this study aims to analyze what factors can influence investor stock investment decisions in Batam. Investment decision making will be influenced by many factors. This study has 5 factors that influence investor stock investment decisions in Batam. These factors were overconfidence, excessive optimism, psychology of risk, herding behavior, and excessive pessimistic. The sample used in this study was Batam investors. With the number of questionnaires distributed 166 sheets and successfully answered. The collected data from the questionnaires would be analyzed with a statistical application, known as the SPSS application (Statistical Package for the Social Sciences).

Results of this research showed that 4 factors above has significant and positive influence on investment decisions of Batam investors. The 4 factors which were overconfidence, psychology of risk, herding behavior, and excessive pessimistic. The significant and negative factor affecting the investment decisions of Batam city investors is excessive optimism.

Keywords: investment decision, overconfidence, excessive optimism, psychology of risk, herding behavior, excessive pessimistic.