Abstract

The study was conducted with the aim of analyzing the effect of variables overconfidence, representativeness, mental accounting, loss aversion and herding on investment decisions.

The method of multiple linear regression analysis is the research methodology used in this study. The total sample collected and used in the study amounted to 203 respondents in Batam City and the data collected using purposive sampling method.

From the results of the research conducted by the researcher, it can be seen that the variable overconfidence, mental accounting, and herding have a significant positive effect on investment decisions, while the representativeness and loss aversion variables don’t affect investment decisions.

Keywords: overconfidence, representativeness, mental accounting, loss aversion, herding, investment decisions