ANALYSIS OF THE EFFECT OF AVAILABILITY BIAS, REPRESENTATIVE BIAS, HERDING BIAS, ANCHORING BIAS AND OVERCONFIDENCE BIAS TOWARD STOCK INVESTMENT DECISIONS IN BATAM CITY

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ABSTRACT

Investment is a capital funding activity with the aim of receiving profits from the invested capital. Investment can be done in various ways such as the capital market, the banking sector and in real terms. Nowadays, the capital market has begun to be glimpsed by the community, even becoming an index of economic development in a country. The capital market in Indonesia now states there is an increase in investors every year.

The questionnaire was distributed to 230 the number of surveys found in the city of Batam by the Hair method and analyzed by multiple regression. This study uses the variable Availability Bias, Representative Bias, Herding Bias, Anchoring Bias and Overconfidence Bias to be independent variables. This study stipulates that Availability Bias, Representative Bias, Herding Bias, Anchoring Bias and Overconfidence Bias have a significant positive effect on termination of investment.

Keywords: Availability Bias, Representative Bias, Herding Bias, Anchoring Bias, Overconfidence Bias, Stock Investment Decision.