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ANALYSIS OF FACTORS AFFECTING COMMUNITY STOCK INVESTMENT DECISIONS IN BATAM CITY

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Abstract

This research was conducted on the basis of examining five factors or variables that determine investment decisions in the capital market, namely shares by the community in the city of Batam City. The five variables chosen were overconfidence, representativeness, mental accounting, anchoring and herding which were used as factors needed for the dependent variable used in this study.

The research was conducted the data using the method of snowball sampling. The media used in the distribution of questionnaires and research data collection by google form. The total sample obtained is 195 people who have invested in the stock market. Then the data is processed with SPSS.

This research results shows that overconfidence, mental accounting, and herding have a positive effect on the dependent variable of investment decision. But the other variables shows that representativeness and anchoring variables have a significant negative effect on the dependent variable of investment decisions.

Keywords: overconfidence, representativeness, mental accounting, anchoring, herding, investment decisions

