

A Study on Impact of Behavioral Biases On Investment Decisions Of Equity Market Investors.

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- **Abstract:** The equity market investors make decisions in complex situations as they are exposed to news, announcements and policy changes on regular basis. Their decisions impact the behaviour of equity market which impact the country's economy. However, investors often tend to make irrational decisions depending on their perception which may result in losses. Investigation of the impact of investor behavioural biases on their decisions is important since irrational decisions would cause serious bearing on their investments, financial markets and economy. This study examined the influence of behavioural biases on investor decisions by conducting survey among investors across five Indian cities using a structured questionnaire. The study identified that investors exhibited heuristics biases (anchoring, representativeness), Prospect theory biases (loss aversion) and market factors (market information and price changes) while making investment decisions.
- **Keywords:** behavioural biases, market factors, exhibited heuristics