REVIEW PAPER ON
BEHAVIOURAL BIASES IN FINANCIAL DECISION-MAKING

GEETIKA MADAAN SUKHEJA
ASSISTANT PROFESSOR CUM RESEARCH SCHOLAR
CHANDIGARH UNIVERSITY, MOHALI.

ABSTRACT

Purpose – The paper aims to clarify how biases, moods and emotions influence the financial behavior of individuals. The paper also aims to provide future paradigm of behavioral finance. The study has tried to explore behavioral determinants influencing individual investor’s decision-making at financial front.

Design/methodology/approach – The paper opted for an in-depth study using an empirical approach. The data collected and compiled by using researches and studies previously conducted by various scholars, academicians and professionals in the field of behavioral finance.

Findings – The paper provides empirical insights about how Behavioral finance has emerged as a field of study which is relatively new and having its provenance from decision theory. The study concluded that this multidisciplinary research area investigates the issues that impact the decision-making process and explains the irrational nature of individuals, groups and organizations. Behavioral finance tries to address those psychological traps that are confronted while making decisions under uncertainty.

Practical implications – The review tries to provide scope for future researches in the field of corporate management and social finance.

Originality/value – This review tries to address past and present status of behavioral finance field and tries to find rifts that need to bring light for future development in this area.

KEYWORDS: Behavioral Finance, Overconfidence, Anchoring, investors, investment.

REFERENCES


