

Investor's Psychology in Investment Decision Making in Context of Behavioural Finance

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Abstract : Worldwide, the financial markets are influenced by several factors such as the changes in economic and political processes that occur in the country and the globe, information diffusion and approachability and so on. Yet, the foremost important factor is the investor's reaction and perception. For an individual investor, decision-making process can be perceived as a continuous process that has significant impact of their psychology while making investment decisions. Behavioral finance relies on research of human and social recognition and emotional tolerance studies to identify and understand the investment decisions. This article aims to report the research of individual investor's financial behavior in a historical perspective. This article uncovers the investor's psychology in investment decision making focusing on the investor's rationality with an explanation of psychological and emotional factors that affect investing. The results of the study are revealed by means of Graphical visualization.

Keywords : behavioral finance, psychology, investor's behavior, psychological and emotional factors

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