

Title: Exploring the influence of behavioral aspects on stock investment decision-making: a study on Bangladeshi individual investors

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Abstract: Determining the impact of behavioral influences on the stock market has significant implications for investment analysis and portfolio management. Behavioral biases are parameters that need to be considered in investment decision-making. The purpose of this study is to inform Bangladeshi investors about behavioral biases that they may encounter when making investment decisions in the prevailing frontier environment. Through the chi-square test, one-way ANOVA, paired-samples t-test and descriptive analysis based on the facts collected from 281 respondents of the Dhaka Stock Exchange (DSE), the study has found that individual investors of Bangladesh often make investment decisions emotionally rather than based on theories. The result shows that risk aversion and risk perception are the two most influential emotional dimensions that impact investors' decisions. The findings are consistent with the other researchers and highlight the fact that investors hardly act according to the norms recommended in the financial theories. The findings are grounded on a small portion of investors at DSE on some particular days, which is not sufficient to study individual investors' entire complex decision-making behavior from various angles. Many respondents were reluctant and even confused to disclose their behavioral aspects. These, along with biased and careless answers, may impede the identification of the actual scenario of the behavioral responses in decision-making that demand further study.

Keywords: G40, G41, G44, Behavioral finance, Loss aversion, Overconfidence, Herding, Dhaka Stock Exchange (DSE)

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