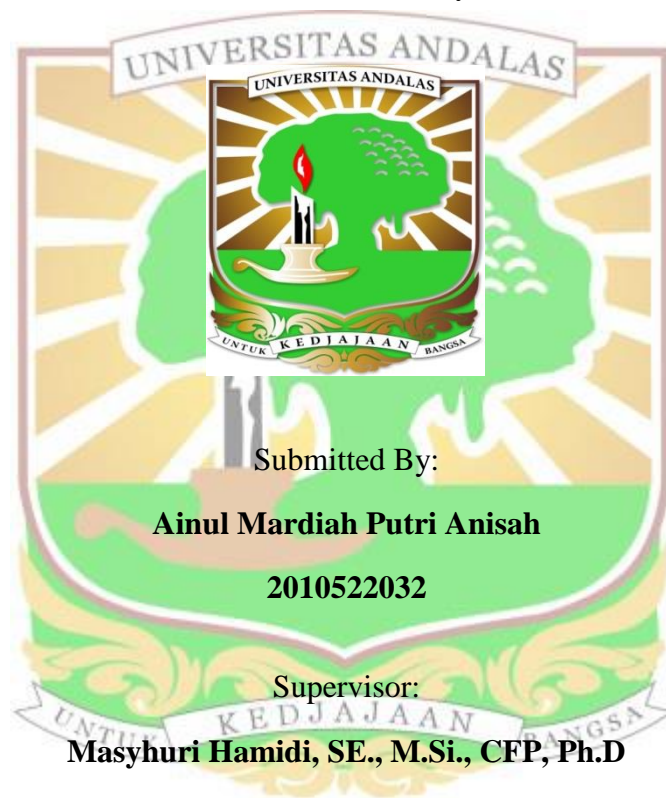


**THE INFLUENCE OF REPRESENTATIVENESS BIAS, LOSS AVERSION,
AND HERDING BEHAVIOUR ON YOUNG INVESTOR INVESTMENT
DECISIONS IN WEST SUMATERA**

THESIS

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ABSTRACT

Investor investment decision can influence by several factors. Investor can behave rationally and irrationally. Sometimes, investor's investment decision can influence by psychological and behavioral factor that create bias in investment decision making. The main objective of this study is to examine the influence of certain behavioral bias including representativeness bias, loss aversion, and herding behavior on young investor investment decision. This study used three independent variable representativeness bias, loss aversion, and herding behavior and a dependent variable investment decision. This study is an empirical research based on primary data collected from 127 respondents who have made investment in stock market and investors in West Sumatera with age range from 19 to 25. This research used quantitative method with purposive sampling. The data analyzed using structural equation modeling (SEM) using Partial Least Square (PLS) 4 software. The result of data analysis showed that representativeness bias, loss aversion and herding behavior has positive and significant impact on young investor investment decision.

Keywords: Representativeness Bias, Loss Aversion, Herding Behavior, Investment Decision.

