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THE IMPACT OF HEURISTICS BIAS ON INVESTMENT DECISION: AN EMPIRICAL STUDY

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Abstract *The purpose of the article is to investigate how heuristic bias affects investors' investment decision. Understanding heuristic biases is essential for predicting and explaining human behaviour in various contexts, from consumer choices to financial decision-making and beyond. By identifying and categorizing different types of biases, researchers can discern patterns in decision-making that might otherwise remain obscure. The study takes into account four different types of heuristic bias, that is, availability bias, representativeness bias, overconfidence bias and adjustment and anchoring bias. It is very important to study heuristics bias because these biases can lead to deviations from the rational decision making. The knowledge of these biases can be used to develop strategies to improve decision making. With the aid of a questionnaire, the data is gathered. The method of convenient sampling is employed to choose 358 respondents. The data are analysed using Structural Equation Modelling and Descriptive Statistics. The study of the data reveals that the investors' investment decisions are highly impacted by availability and adjustment and anchoring bias. Overconfidence and representativeness bias are insignificant.*

Keywords: *Heuristics Bias, Availability Bias, Adjustment Bias, Overconfidence Bias, Adjustment and Anchoring Bias, Investment Decision, Irrational Decision*

INTRODUCTION

Stock market now days are flooded with the investment avenues. The investors have to take decision to where to invest money in order to maximise the gains. Some of decisions are simple and some are complex. Investment decision-making is a cognitive process and requires proper plan. Every investor is not sound enough to take investment decision and they often make decisions based on their past experiences and intuition rather than obtaining facts that would help them make wiser choices. Here comes the contradiction between traditional finance theory and behavioural finance theory. The traditional finance theory assumes the investors are rational and process information in unbiased way whereas the behavioural finance theory states that investors are biased, irrational and emotions impacts the decision making. There are several traditional finance theories like Efficient Market Hypothesis given by Eugene Fama's in 1970, Modern Portfolio theory given by Markowitz in 1952 states the investors are rational and risk averse. Traditional theory is based on the concept that investors act rationally, their aim is to maximise profit and they are usually risk averse. These assumptions that the market is efficient are violated because of speculations and unpredictability in the market often termed as market anomalies (Kamoune et al., 2022).

Investors employ standard finance models and theories to measure risk and expected returns when making investment decisions (Nofsinger, 2017; Borsboom et al., 2020; Metawa et al., 2019). Behavioural finance contradicts such a reality of rational investment decisions among investor (Suresh, 2021). Behavioural finance however, focuses on the behavioural facets of irrational decision-making among individual investors (Semenov, 2009). Recent studies in the field of behavioural finance shows that investors not act rationally and their decisions are influenced by various psychological factors. Goud (2022) explained that cognitive and emotional factors affect the investment decision of an investor, and in particular, how they affect the rationality in decision-making. Investors are commonly believed to act irrationally in the market, including excessive trading, buying stocks without examining their intrinsic value, buying stocks on the advice of relatives and friends and basing decisions on past success. According to behavioural finance academicians every person has inherent psychological biases that make it difficult for them to make logical decisions and have

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detrimental effects on both the efficiency of the market and investment decisions.

Biases are defined as the predispositions towards error (Shefrin, 2007). Behavioural finance studies how people actually behave in a financial setting. Specifically, it is the study of how psychology affects financial decisions, corporations and the financial markets (Nofsinger, 2017). The presence of biases in investment decision-making can lead to distorted perceptions, flawed analysis and misguided actions. These biases can affect how investors process information, evaluate risks and rewards and allocate their investment capital. As a result, they may make investment decisions that deviate from rational and objective assessments of market conditions, asset valuations and investment opportunities. Such errors and biases are often interpreted as resulting from people's tendency to use a number of judgemental shortcuts, or heuristics when faced with complex decision making task (Slugoski et al., 1993). Heuristics are mental shortcuts or rules of thumb that individuals use to simplify complex decision-making processes. The study of heuristics in decision making was made my Amos Tversky and Daniel Kaheman in 1970s. In the paper "Judgment Under Uncertainty: Heuristics and Biases" in 1974 they identified three types of heuristics bias, that is, availability bias, representativeness bias and anchoring and adjustment bias. Further new researcher added some more biases like over confidence bias, hindsight bias, etc. In this study four biases are considered, that is, availability bias, overconfidence bias, representativeness bias and adjustment and anchoring bias.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Representativeness Bias and Investment Decision-Making

Representativeness induces people to give too much weight to recent evidence and too little weight to the base rate or prior odds (De Bondt et al., 1995). Representativeness Bias means a decision based on a stereotyped situation or information (Antony, 2022). Representativeness bias can be defined as the bias in which individual takes decision on the basis of past experience or the similar event occurred in the past. No effort has been made by the individual for analysing the factual position. In representativeness bias the decision is mainly based on the recent outcomes. It can create some bias in terms of investors placing more importance on recent incidents and undervalue the long-term gain in investments (Kubilay & Bayrakdaroglu, 2016; Zahera & Bansal, 2018). Past research has made substantial efforts to identify the drivers of investors' representativeness bias and to establish the root causes of irrationality. Syed Zulfiqar Ali Shah, Maqsood Ahmad and Faisal Mahmood (2017) founds representativeness bias negatively affects the investment decision.

H1: Representativeness bias significantly influence investment decision

Overconfidence and Investment Decision

Overconfidence is a type of heuristic bias where it defined as unwarranted faith in individual judgment, cognitive abilities, etc. (Pompian, 2006). According to Simon et al. (2000), overconfidence may exist because investors do not revise their initial assessment, after the receiving new information and also, they don't realise how much corrected their assessment may be. Bakar and Yi (2016) consider that overconfidence influenced the investment decision of the investors. Shefrin (2000) explained that investor overestimates their own ability to forecast the trends accurately. According to Trinugroho and Sembel (2011) overconfident investors traded excessively because they have belief in their own knowledge and skills, so consequently they get lower returns as compared to other investors, who are more rational in case of their investment decision. Those investors who suffer from overconfidence bias, they mostly underestimate their risk factors and overestimate their expected profit (Baker & Nofsinger, 2002). Pompain (2006), Behavioral Finance and Wealth Management (How to Build Optimal Portfolio that Account for Investor Biases), 1st ed., John Wiley & Sons, New Jersey.

H2: Overconfidence bias significantly influence investment decision.

Availability Bias and Investment Decision

It is a type of cognitive heuristics bias where investors too much depend on easily available information for the purpose of forecasting (Ngoc, 2014). Chaturvedi Sharma (2021) highlights that certain factors like attachment, availability of source of information, risk, make significant impact while deciding the investment avenues. It is the assessing the frequency of an event by the it's availability and the ease with which relevant cases come to mind (Brahmana et al., 2012). Massa et al. (2005) explained that individual stock-picking decisions are affected by availability bias. Waweru et al. (2008) observed in investors when they prefer to invest in local firms with which the investor is more familiar where information can be easily obtained. Investors' preferences

change according to available information (Harris & Raviv, 2005), and also sometimes even irrelevant information also influences investment decisions (Kirchler et al., 2005). So on the basis of recently available information, the risk tanking behaviour of individual investors about the particular security also changes (Grable et al., 2004).

H3: Availability bias significantly influence investment decision.

Anchoring and Adjustment Decision and Investment Decision

Slovic and Lichtenstein (1971) explained anchoring and adjustment bias as people using some initial values to make an estimation that is adopted to yield the final answer. According to Pompain (2006), anchoring and adjustment bias can be explained by the tendency of investors to "anchor" their ideas or thoughts to a logically irrelevant reference point when making the decisions. Ishfaq and Anjum (2015) highlighted that anchoring significantly and positively influences the investment decisions. Anchoring heuristics has positive influences on investment decision-making and also the performance of the individual investors (Kengatharan & Kengatharan, 2014).

H4: Adjustment and Anchoring bias significantly influence investment decision.

THEORETICAL FRAMEWORK

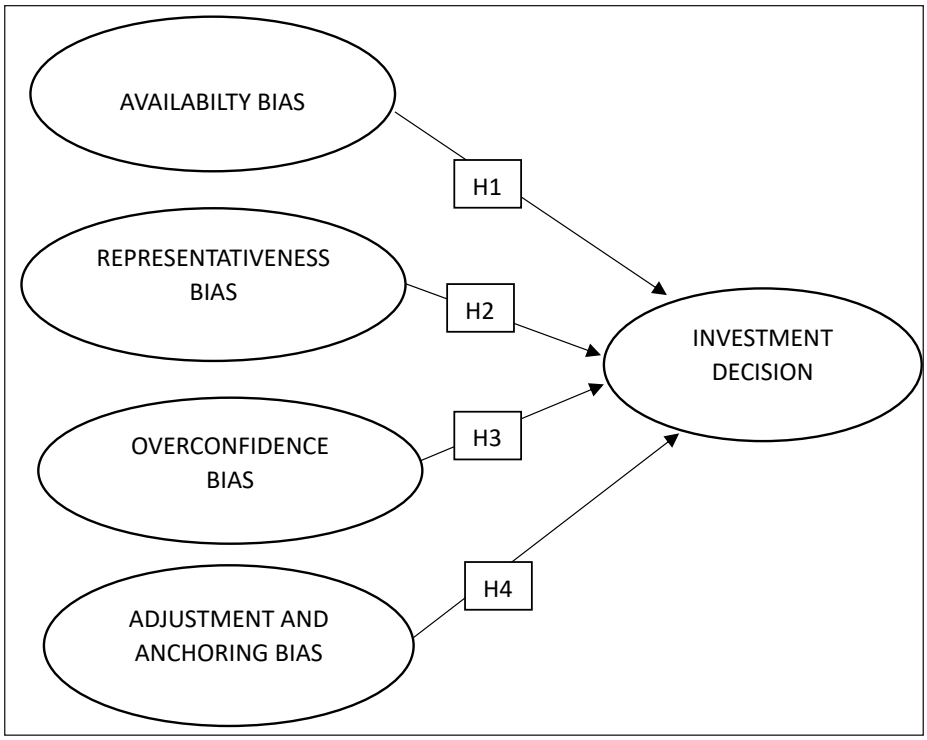

Fig. 1: Theoretical Model

RESEARCH METHODOLOGY

Target Population

The population of the study are the individuals who are currently investing in the stock market and residing in Varanasi.

Sampling and Data Collection

The objective of the research is to study the impact of heuristics bias on investment decision. To achieve the objectives of research data is gathered with help of questionnaire which is distributed through blend mode, that is, offline and online. Total 396 responses were received, but some of the responses are incomplete. So, 358 responses were used for the analysis of the data. The sample size is quite large when compared with existing study (Kasoga, 2021; Shah et al., 2017; Rasheed et al., 2017; Babajide et al., 2012). The convenient sampling technique is used to select respondents. It saves time and resources (Bryman & Bell, 2015).

Questionnaire Design

The data were gathered with the help of adopted questionnaire which was divided into four parts, that is, demographic profile of respondents; Heuristics Bias consisting of four types of bias, that is, availability bias, representativeness bias, overconfidence bias and adjustment and anchoring bias; and investment decision. All the questions are measured on 5-point Likert scale except the demographic profile of the respondents.

Measure of Construct

Table 1: Construct and Source

Sr. No.	Construct	No. of Statements	Source
1.	Availability Bias	5	Rasheed et al., 2017
2.	Representativeness Bias	6	Rasheed et al., 2017
3.	Overconfidence Bias	4	Lin H. W., 2011
4.	Anchoring and Adjustment Bias	6	Nada et al., 2013
5.	Investment Decision	5	Rasheed et al., 2017

RELIABILITY MEASUREMENT

The reliability of the data is measured using Cronbach's alpha. For the utilisation of Cronbach's alpha coefficient, it is required that all the items of the related instrument use the same measurement scale (Freitas & Rodrigues, 2005). In our study, all the variables are measured on five points Likert scale. The Cronbach's alpha value is more 0.7 for all the variables, that is, for availability bias 0.848; representativeness bias 0.877; overconfidence bias 0.834; adjustment and anchoring bias 0.890; and investment decision 0.890. So, all the variables fall in the excellent range of Cronbach's alpha as suggested by Hair et al., 1998.

Table 2: Reliability Analysis

Constructs	Availability Bias	Representativeness Bias	Overconfidence Bias	Anchoring & Adjustment Bias	Investment Decision
Cronbach Alpha	0.848	.877	.834	.890	.890

Source: Authors' calculation.

NORMALITY MEASUREMENT

The test of assumptions of normality was done by using the grand score of investment decision, and all four heuristics biases. According to Hair et al. (2010) and Bryne (2010), when the range for skewness lies between -2 to +2 and for kurtosis -7 to +7 then it is considered a standard benchmark for the evidence that data is normal. Thus, assuming a multivariate normal distribution, the output of the grand score of constructs presents a significant value of skewness and kurtosis and all the values fall within the abovementioned benchmark, which indicates normal distribution.

Table 3: Normality Analysis

Variable	Mean	Std.	Skewness	Kurtosis
GS_ID	3,5542	.95097	-.696	-.021
GS_AB	3.4553	.92082	-.325	-.266
GS_RB	3.6960	.76564	-1.351	2.360
GS_AA	3.6578	.82465	-1.086	1.355
GS_O	3.5028	.89837	-.417	-.336

Source: Authors' calculation.

DATA ANALYSIS

Demographic Profile

Table 4: Demographic Profile

Description	Classification	Frequency	Percentage (%)	Cumulative %
Age	18-25 Years	71	19.8	19.8
	26-35 Years	149	41.6	61.5
	36-45 Years	91	25.4	86.9
	46-55 Years	30	8.4	95.3
	More than 55 Years	17	4.7	100
	Total	**358**	**100.00**	
Marital status	Unmarried	185	51.7	51.7
	Married	169	47.2	98.90
	Other	4	1.1	100
	Total	**358**	**100.00**	
Qualification	Graduation	93	26.0	26.0
	Postgraduation	187	52.2	78.20
	Doctoral	78	21.8	100
	Total	**358**	**100.00**	
Monthly income	Less than 15000 Rs.	58	16.2	16.20
	15000-25000 Rs.	96	26.80	43.0
	25001-35000Rs.	99	27.7	70.7
	35001-45000Rs	42	11.70	82.40
	45001-55000Rs	25	7.0	89.40
	More than 55000 Rs.	38	10.60	100
	Total	**358**	**100.00**	
Experience in stock market	Below 3 Years	170	47.50	47.50
	3-5 Years	132	36.90	84.40
	More than 5 Years	56	15.60	100
	Total	**358**	**100.00**	

Sources: Authors' calculation.

The demographic features of respondents are outlined in (Table 2). The table reveals that majority of the respondents fall in the age group 26–35 years (41.6%) followed by 36–45 years and 18–25 years. On the basis of marital status, majority of respondents are unmarried 51.7%. According to qualifications, most of the respondents are Postgraduate 52.2% followed by graduate 26% and doctoral degree 21.8%. On the basis of Monthly income majority of the respondents fall in the income group 25001–35000, that is, 27.7% followed by 15000–25000, that is, 26.80%, 35001–45000, that is, 11.70% and so on. On the basis of experience, in stock market the majority of respondents has experience below 3 years, that is, 47.50%, followed by 3–5 years 36.90% and more than 5 years 15.60%.

Common Method Bias

The present study uses method of Harman's single factor test to detect the problem of common method bias which is regarded as most popular method in various disciplines (Chang et al., 2010). To apply Harman's single factor test, Exploratory Factor Analysis (EFA) has been applied with the restriction of emergence of only one factor. Common method bias is considered to be present if value of variance explained through single factor is more than 50%. In the current study, the variance explained by single factor is 29.512% as shown in the table below. So, we can say that there is no significant problem related to common method bias in the dataset.

Table 5: Harman's Single Factor Test

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.673	29.512	29.512	7.673	29.512	29.512

Source: Authors' calculation.

Exploratory Factor Analysis

EFA is executed which indicated an effective measurement instrument of principle variable instruments for simplification of related observed variables measured which is common in exploratory factor analysis (Bryant & Yarnold, 1995). The interval level can measure the adequacy of sample test and strengthen of indicators of relationship by KMO & Bartlett's test (Bartlett, 1954; Kaiser, 1974).

Table 6: EFA

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.899
Bartlett's Test of Sphericity	Approx. Chi-Square	4955.112
	df	325
	Sig.	.000

Source: Authors' calculation.

The acceptance value of KMO analysis is 0.05 or more. If the KMO value is between 0.5 and 0.7 then it is medium and if KMO value is between 0.7 and 0.8 or more than value is good with Bartlett's test of correlation required $P < 0.05$ (Andale, 2017; Hair, Black, Babin & Anderson, 2006). So, in above table we can see that our KMO value is .899 which is very good and the value of P is also less than 0.05 which is significant.

Total Variance Explained

Table 7: Initial Eigenvalues

Component	Total	% of Variance	Cumulative %
1	7.673	29.512	29.512
2.	3.690	14.193	43.705
3.	2.649	10.189	53.894
4.	1.680	6.463	60.357
5.	1.500	5.770	66.127

Source: Authors' calculation.

The five important factors are extracted in total variance, which is explained with more than 1 eigenvalue. In 26 items after factors analysis, we find five important factors which represent 66.127% of the total variance, which is greater than 60% (Hair et al., 2010).

Rotated Component Matrix

Table 8: Varimax with Kaiser Normalisation

Construct	Statements	1	2	3	4	5
Availability Bias	(AB1) I prefer to sell stocks on the days when the value of the stock market index decreases.	.803				
	(AB2) I prefer to buy stocks on the days when the value of the stock market index increases.	.720				
	(AB3) I prefer to invest in local stocks than international stocks because the information of local stocks is more available.	.576				
	(AB4) I consider the information from my close friends and relatives as the reliable reference for my investment decisions.	.744				
	(AB5) I prefer to buy local stocks than trade in international ones.	.691				
Representative-ness Bias	(RB1) I consider the past performance of the stocks before investing in it.		.755			
	(RB2) I believe that through detailed analysis of past performance future value of a contract in stock market can be determined.		.826			
	(RB3) I avoid investments in stocks that have a history of poor earnings.		.790			
	(RB4) I buy 'hot' stocks which provided most return recently and avoid stocks that have performed poorly in the recent past.		.727			
	(RB5) I use trend analysis to make investment decisions.		.809			
	(RB6) Before investing I use trend analysis of some representativeness stocks to make investment decisions for all stocks.		.801			

Construct	Statements	1	2	3	4	5
Overconfidence Bias	(O1) I am sure that I can make the correct investment decision.			.811		
	(O2) I believe I can master the future trend for my investment.			.849		
	(O3) I think market trend is often consistent with my perspectives.			.795		
	(O4) I always refer the investing profit to my successful investment strategy.			.792		
Anchoring and Adjustment Bias	(AA1) I compare the current stock prices with their recent year high and low price to justify my stock purchase.				.740	
	(AA2) I am likely to sell my stock after the price hits recent year high.				.802	
	(AA3) I am unlikely to buy a stock if it was more expensive than last year.				.633	
	(AA4) I see the stock price as high if the price has increased to the current year high.				.770	
	(AA5) I believe that the position of the year high and low price determined the current stock price movement range.				.771	
	(AA6) I use the stock purchase price as a reference point for trade.				.708	
Investment decision	(ID1) When making an investment, I trust my inner feelings and reactions.					.775
	(ID2) I generally make investments that feel right to me.					.771
	(ID3) When making investments, I rely upon my instincts.					.788
	(ID4) When I make an investment, it is more important for me to feel the investment is right than have a rational reason for it.					.808
	(ID5) When I make Investment, I tend to rely on my intuition.					.751

Rotation Method: Varimax with Kaiser Normalisation.

Source: Authors' calculation.

The measurement items in which each value has demonstrated more than the cut-off point at 0.50. So, the component matrix of items has valued more than desired value and the factor analysis test output confirm that dataset is ready for confirmatory factor analysis to know the model fitness and its validity.

Confirmatory Factor Analysis

Confirmatory factor analysis is multivariate statistical method that is fitted as family of Structural equation modeling where we examine that how well fit of measured variable signify the number of construct (Besty Mc Coach & Newton, 2016; Mueller & Hancock, 2015). Here we performed the confirmatory factor analysis in figure 1 by using maximum likelihood process to confirm the factor loading, validity, reliability of scales and construct. So, all items which have accepted for factor loading have value 0.70 or above. Here some modification indices were checked and found that there were some redundant items. So, for improvement purpose various covariance was drawn between error terms of the redundant items to get the model fit.

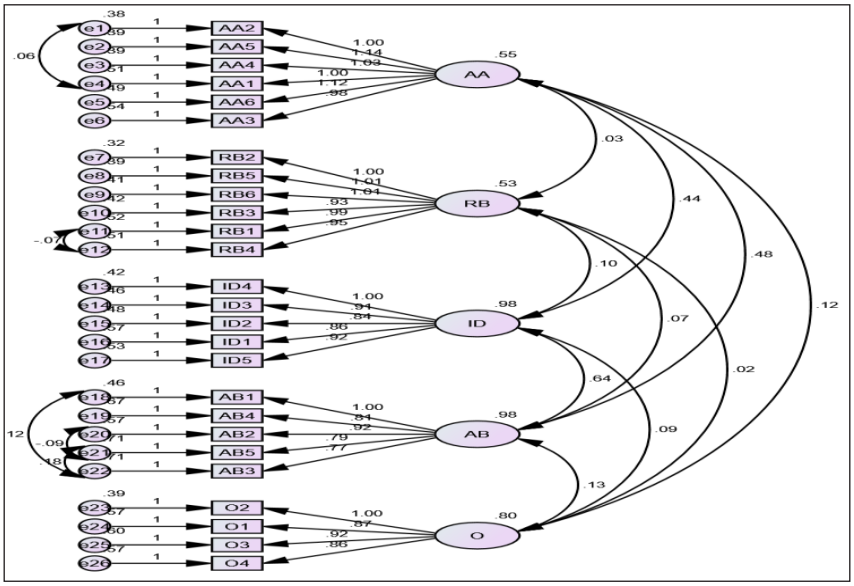

Fig. 2: Measurement Model

In the second attempt, the model analysis generated a good model fit which indicated CMIN/DF 1.879 is in acceptable range, which should be between 1 and 3 (Tanaka, 1993; Hu & Bentler, 1999 which includes using the maximum likelihood (ML; Hair et al., 2010). Value of GFI = .898, AGFI = .874, CFI = .948, TLI = .940 and NFI = .895 indicated model is good fit because suggested value like CFI, TLI are above the .90 (Mu & Bentler, 1999; Hair et al., 2010). The value of SRMR = 0.051, RMSEA = 0.050 and the value of P close is 0.530 which are excellent values for a good model fit. All the factor items significantly loaded (P < 0.001) on their constructs, and all items have acceptable standardised factors loading which is near to 0.70 or above. All factor loading is presented in below table.

Table 9: Factors Loading, Validity and Reliability of Items

Items	Estimate Value	AVE	√AVE	Composite Reliability
Availability Bias (AB)		0.538	0.733	0.853
AB1	.826			
AB2	.771			
AB3	.673			
AB4	.703			
AB5	.683			
Representativeness Bias (RB)		0.549	0.740	0.880
RB1	.710			
RB2	.792			
RB3	.725			
RB4	.697			
RB5	.764			
RB6	.755			
Overconfidence Bias (OB)		0.558	0.746	0.834
O1	.718			
O2	.821			
O3	.729			
O4	.716			
Anchoring and Adjustment Bias (AA)		0.574	0.757	0.890
AA1	.723			
AA2	.768			
AA3	.705			
AA4	.775			
AA5	.804			
AA6	.765			
Investment Decision (ID)		0.620	0.787	0.891
ID1	.749			
ID2	.766			
ID3	.799			
ID4	.838			

Source: Authors' calculation.

The convergent validity considers the accepted value for all given constructs which are above 0.50 (Hu & Bentler, 1999 which includes using the maximum likelihood (ML; Hair et al., 2010). Composite reliability of each construct value is higher than 0.70 (Nunnally & Bernstein, 1994). The discriminant validity of the construct will be higher than correlation value of construct with the other construct. So, in the table all the mentioned standard condition were satisfied (Hu & Bentler, 1999 which includes using the maximum likelihood (ML; Hair et al., 2010). So, we can move for the further process of testing the hypothesis through structural equation modeling. In table here, we used master validity

tools of (Gaskin & Lim, 2016) to know the convergent and discriminent validity of model.

Structural Equation Modeling

To test the relationship between the variables, the structural equation modeling is used. In figure we consider the relationship between different heuristics bias and investment decision. So here we consider the direct influence of different types of heuristics biases on investment decision. The structural equation modeling (SEM) is most useful when assessing causal relationships between the variables and verifying the model's compatibility (Peter, 2011).

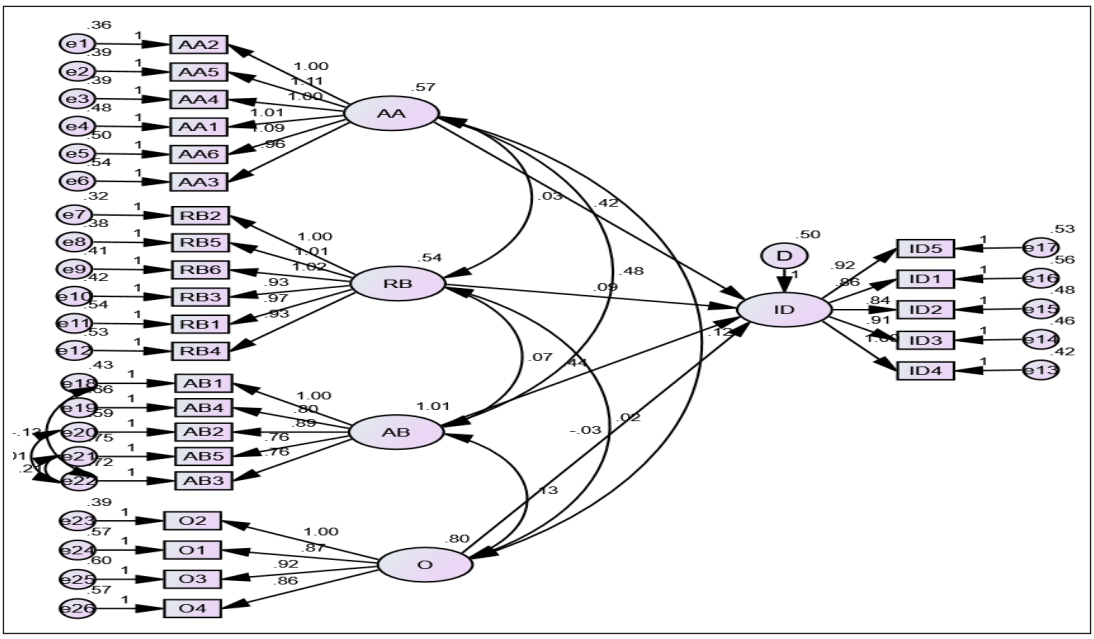

Fig. 3: Structural Model

In structural equation model analysis generated a good model fit which indicated CMIN/DF 1.914 is in acceptable range, which should be between 1 and 3 (Tanaka, 1993; Hu & Bentler, 1999 which includes using the maximum likelihood (ML; Hair et al., 2010). Value of GFI = .894, AGFI = .870, CFI = .945, TLI = .938 & NFI = .892 indicated model is good fit because suggested value like CFI, TLI are above the .90 (Hu & Bentler, 1999; which includes using the maximum likelihood (MLHair et al., 2010). The value of SRMR = 0.052, RMSEA = 0.051 and the value of P close is 0.430 which are excellent values for a good model fit. Here we have considered the model fit measures of (Gaskin, J. & Lim, J., 2016).

Table 10: Hypothesis Testing

Hypothesis Relationship	Estimates (β)	t Value	p-Value	Hypothesis
AB→ID	.448	6.424	***	Accepted
RB →ID	.069	1.490	.136	Rejected
OB →ID	-.026	-.535	.593	Rejected
AA →ID	.320	4.750	***	Accepted

(***) 1% significance level.

Source: Authors' compilation.

In this study, our first our hypothesis is getting accepted because availability bias is positively influencing the investment decision of the investor at 1% significance level where our P-value is less than the 0.01. The two biases which are representativeness and overconfidence bias those are not making significant impact on investors' investment decision because their p-value is more than 0.05. So, the hypotheses get rejected. While the anchoring & adjustment bias significantly influences the investors' investment decision, so we accept the hypothesis with 1% significant level.

FINDINGS

The analysis of study states that there is positive and significant relation between availability bias and investor's irrational decision such that a unit increase in availability bias leads to increase in irrationality in investment decision by 0.350 (P < 0.01). This means due to availability bias the investor don't bother to get in depth information about the investment opportunities and took decision on the basis of readily available information which leads to judgement error. This finding is in line with previous studies Rasheed et al. (2017); Dangol et al. (2020). Representativeness Bias

does not have significant impact on investment decision. Representativeness Bias means tendency to take decision on the basis of past experience. This finding is in line with previous researches Kumara et al. (2021); Fitri et al. (2021); Irshad et al. (2016); Ikram (2016); and Toma et al. (2015). Overconfidence bias does not significantly influence investment decision. Overconfidence is a cognitive bias defined as excessive confidence in intuitive reasoning, judgement and cognitive ability (Baker et al., 2017). The possible reason of insignificant impact is that the investors don't have the required skills and knowledge which makes them dubious and feel hesitate while making investment decision. This finding is in line with previous researches Kumara et al. (2021); Tabassum (2021); Pratiwi et al. (2019); Gamage et al. (2021). Adjustment and Anchoring Bias has significant impact on investor irrational decision such that a unit increase in adjustment and anchoring bias leads to increase in irrationality in investment decision by 0.320 ($P < 0.01$). This means that investors rely on initial piece of information they received. Slovic and Lichtenstein (1971) explain the anchoring and adjustment bias as people using some initial values to make an estimation that is adapted to yield the final answer. This finding is in line with previous researches Rasheed et al. (2017); Shah (2018).

CONCLUSION AND DISCUSSION

The objective of the study is to analyse the impact of heuristics bias on investment decision with the help of empirical data. Psychologists suggest that when decision makers find themselves with limited capacity to deal with complex data and high degrees of uncertainty (as in making investment decisions) they resort to the use of heuristics as a simplifying tool (Otuteye et al., 2015). The data is collected using the questionnaire from 359 respondents who are selected conveniently. Descriptive statistics and covariance based SEM is used for the analysis of data. The result of the study shows that availability and anchoring & adjustment bias has significant impact on investment decision while the representativeness bias and overconfidence has insignificant impact on investment decision. The study's findings demonstrate that investors favour investment opportunities with easy access to information. They don't want the burden of information seeking. They would rather make decisions based only on the knowledge they have at hand. And also, it is found that they rely excessively on the first piece of information they received (Adjustment and Anchoring Bias).

Table 11: Hypotheses Result

Sr. No.	Hypothesis	Result
1.	Impact of Availability Bias on Investment Decision	Supported
2.	Impact of Representativeness Bias on Investment Decision	Rejected
3.	Impact of Overconfidence Bias on Investment Decision	Rejected
4.	Impact of Adjustment and Anchoring Bias on Investment Decision	Supported

IMPLICATION OF STUDY

Heuristics are rule of thumb on which investor base their decision. These mental shortcuts can lead to sub optimal investment choices. The study provides insights of role of heuristics bias in influencing investment decisions which could be beneficial to decision maker and the professionals in the field. This paper helps to identify the biasness faced by the investors while making investment decision. Investment professionals and financial advisors can consider incorporating methods to counteract the biases and help clients make more rational investment choices. This might include providing objective data, conducting thorough analysis and encouraging clients to take a more systematic approach to investment decision-making.

LIMITATIONS OF STUDY

The research only took into account the availability bias, representativeness bias, overconfidence bias and adjustment & anchoring bias types of heuristic bias. Other biases may potentially be included in future studies. Furthermore, only biasness doesn't impact investing decision. The decision to invest is affected by a number of additional elements, including personality traits, financial literacy, etc. Therefore, the researcher can use these characteristics in the future to conduct more thorough research.

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