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Exploring The Missing Link: Sociodemographic Factor, Investment Knowledge and Behavioural Bias In Investment Decision

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Abstract−Investment plays a vital role in the financial planning of individuals. Generally, the investments typically employed in Indonesia are those associated with the capital market. The Indonesian capital market plays a pivotal role in promoting the country's economy and allowing the allocation of funds for businesses. An actual market crash in the Indonesian capital market resulted in a significant decline in share values. The current circumstances require a conversation about the importance of understanding the role of individual investors as vital contributors to investment decision-making in the market. Empirical research has demonstrated that the behavioural bias of individual investors during times of disruption is a significant element contributing to market declines in the capital market. This study examines the impact of investment knowledge and sociodemographic factors on investment decision-making, specifically focussing on behavioural bias. This research method is a quantitative approach by utilising a questionnaire to collect data from 150 investors who are part of the sharia investment community. The variables examined in this study encompass investment knowledge, behavioural bias, sociodemographic factor, and investment decisions.The study demonstrates that investment knowledge and behavioural biases have a substantial impact on investment choices. Investment decisions are significantly influenced by sociodemographic characteristics. Investment decisions are significantly influenced by knowledge and sociodemographic characteristics. Behavioural bias has a role in influencing investment decisions in the disruptive period, by interacting with information and sociodemographic factors. In light of the ongoing era of rapid transformation and advancement, it is crucial for investors to promptly attain financial literacy, as knowledge pertaining to Islamic financial products is easily accessible. Stakeholders should establish an educational program focused on Islamic financial market literacy to improve knowledge and understanding of investing.

Keywords: Knowledge; Sociodemographic Factor; Behavioral Bias; Investment Decision

1. INTRODUCTION

Investment refers to the allocation of financial resources by current investors in return for potential financial gains. Government and private sector funding options encompass investments in the capital market sector. Governments in need of finances have the option to release bonds and make them available to the public on the capital market. Likewise, a private sector corporation seeking cash can raise funds by issuing stocks and bonds and offering them to the general public through the capital market (Thompson, 2023). Capital market investments involve high-risk financial assets, including shares, warrants, options, and futures, traded on both domestic and foreign capital markets. Equities are considered to be investments with a high level of risk, but they also have the potential to provide significant profits (Xie et al., 2023). Investment is crucial for fostering economic growth. The ongoing growth of the economy has required the backing of investment activities to sustain production operations. Thus, countries aiming to foster economic growth must augment their investment in such country. The Yuk Nabung Saham program was launched by the Indonesian government in collaboration with the Indonesia Stock Exchange (IDX). The objective of this campaign is to enhance public consciousness on the Indonesian capital market, as pursued by the Indonesia Stock Exchange. This program is reputed to be highly successful, as evidenced by the data presented in Table 1 below.

Table 1. SID Growth Period 2018-2023

Year	Number of Single Investor Identification
2018	1.617.367
2019	2.484.352
2020	3.880,753
2021	7.489.337
2022	10.311.152
2023	12.175.813

According to Table 1, the Yuk Nabung Saham initiative, which was conducted by the Indonesia Stock Exchange, had a significant level of success. There has been a substantial annual growth in the number of investors in Indonesia. According to the OJK's National Survey of Financial Literacy and Inclusion (SNLIK) 2022, the financial literacy rate among the Indonesian population stands at 49.68%. The rate of SID growth rose to 53.66% in 2019, and in 2021 it reached its highest point of 92.8% compared to the previous year. Nevertheless, the survey indicates that the financial literacy level of Indonesian individuals remains insufficient, as seen by the fact that less than 50% have achieved notable accomplishments in this area. Hence, the primary objective of the Yuk Nabung Saham campaign is to enlighten the general public about capital market investment, enhance their understanding of the significance of

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investing in stocks, augment the count of domestic investors, and enhance the economic well-being of the Indonesian populace.

Engaging in the capital market necessitates possessing the expertise and commercial acumen to assess securities for acquisition, divestment, and upkeep. Investment knowledge refers to the understanding and application of utilising existing finances or assets in order to generate future profits (Ghardallou, 2022). Society can attain information through either formal schooling or independent study. Investment knowledge includes a range of topics such as understanding how to invest in the capital market, having a grasp of broad investment principles, being aware of investment objectives, understanding investment returns and risks, comprehending the link between risk and return, and being familiar with various capital market instruments. Gutsche et al., (2023) found that investment knowledge had a significant impact on student investment motivation.

Financial literacy is essential for individuals to prevent financial planning mistakes and avoid financial difficulties when making financial choices. Having a strong understanding of financial concepts, especially when it comes to investing, can help minimise mistakes while making investment decisions. Prior studies have shown that the level of irrationality in stock investment decisions declines as investor knowledge improves. Prospective investors must possess essential investment knowledge (Ahmad Sabir et al., 2021)

In addition to information, sociodemographic characteristics also have an impact on investors' decisions about stock investments. The National Survey of Financial Knowledge and Inclusion (SNLIK) undertaken by OJK has uncovered disparities in financial knowledge based on gender. Sociodemographic characteristics encompass age, gender, marital status, nationality, religion, language, and ethnicity. Lotto (2020) highlights that age and gender are the primary demographic factors of utmost importance. There are differences in investing decision-making between males and females. Women exhibit a greater degree of prudence when making investment choices and tend to choose saving or investing their money in assets with low levels of risk (Aren & Nayman Hamamci, 2023).

Prior studies have shown the influence of excessive self-assurance on judgements related to investing in stocks. Investors with higher levels of overconfidence exhibit a correspondingly higher propensity to engage in risk-taking behaviour and make judgements. In order to enhance their investing objectives, individuals should strive to cultivate greater confidence in their investment knowledge and talents compared to others (Phung et al., 2023). This study seeks to analyse the influence of investment knowledge, sociodemographics, investment decisions, and behavioural bias as a mediator in investment decision-making, based on the aforementioned topics.

3. RESEARCH METHOD

The research method utilised is quantitative research through the distribution of questionnaires to respondents in order to collect primary data, which is subsequently processed and analysed to generate scientific information. In addition, secondary data is gathered from pertinent institutions such as the Central Statistics Board, the Financial Services Authority, the Bank of Indonesia, journals, and other relevant publications. This research is derived from the investigations conducted by Agha & Pramathevan, (2023); Gutsche et al., (2023) and Lotto, (2020). This study utilised the Isaac-Michael technique to gather data. It questioned a total of 150 investors who have prior investment experience and are affiliated with the investment galleries from three universities: State Islamic University of Surabaya, State Islamic University of Samarinda, and Mulawarman University. The factors in this study are investing knowledge (X1), sociodemographic variable (X2), behavioural bias (Z), and investment decision (Y). Some explanations of the operational definition are that investment knowledge is information about how to use some of the funds or resources you have to gain profits in the future.Sociodemography is an analysis of individual characteristics consisting of age and gender. Behavioral bias is a systematic and predictable error or influence that applies to everyone when they interpret information and make investment decisions. An investment decision is an action taken by a financial manager before allocating company funds to various types of instruments. The research involves assessing the internal and external models and examining parameter estimation techniques utilising the bootstrap approach. Some explanations of the operational definition are that investment knowledge is information about how to use some of the funds or resources you have to gain profits in the future. The research framework can be described below

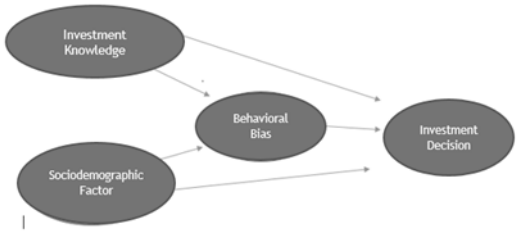

Figure 1. The conceptual research framework

Acquiring investment expertise is crucial in order to mitigate losses when engaging in capital market investments. Knowledge encompasses all information pertaining to diverse items and services, along with any additional knowledge associated with these products and services and information concerning their user

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functionalities. Knowledge encompasses information that is accompanied with comprehension and the capacity to take action, resulting in its retention within one's mind (Fauset et al., 2022). Demographics is an analytical method that utilises demographic data, statistics, and mathematical computations to investigate changes in population, specifically focussing on the distribution and composition of individuals. This concept is solely based on demography, however, there have been alterations in demographic variables as a result of other academic fields. The present demographic analysis is conducted in a comprehensive manner, incorporating non-demographic factors such as social, economic, environmental, cultural, and political variables.(Maslova et al., 2020)

Many previous studies were related to investment, but some of them had different results. This study examines the impact of investment knowledge and sociodemographic factors on investment decision-making, specifically focussing on behavioural bias. In sociology, the population refers to a group of individuals residing in specific geographic areas and locations. Sociology focusses on the study of several facets of human behaviour, while demography specifically examines population issues. Sociodemographic variables encompass several factors such as gender, age, marital status, nationality, religion, language, and ethnicity. However, the primary demographic parameters that are typically focused on are gender and age (Raymer & O'Donnell, 2021)

Tlili et al., (2023) utilise quantile regression analysis to examine the presence of herding bias in the MENA region. The study utilises daily stock index returns spanning from April 1, 2011, to July 31, 2019, in addition to CAC40 and NASDAQ results.This paper validates the conclusions of prior research focused on emerging markets like China, Japan, and Hong Kong. It emphasises that anchoring and herding, which are significant cognitive biases, have a profound impact on decision-making in uncertain situations, especially during periods of market decline. Pradhana, (2020) examines the influence of financial knowledge, cognitive bias, and emotional bias on investment choices. Cognitive bias is assessed through three specific behaviours: overconfidence, the illusion of control, and cognitive dissonance bias. Emotional bias can be assessed using three specific behaviours: loss aversion bias, status quo prejudice, and regret bias. The findings indicated that factors such as overconfidence, illusion of control, status quo bias, and regret bias had little impact on investing decisions. However, investing decisions are not affected by cognitive dissonance, investment knowledge, and loss aversion bias.

Baker et al., (2021) conducted a study to examine the impact of investment knowledge and demographic characteristics on behavioural bias. The data analysis employed consists of an ANOVA test, factor analysis, and regression. The research focusses on 501 investors in India. The demographic variables utilised for measurement include gender, age, marital status, education, occupation, income, and investment experience in the stock market. The findings indicate that financial literacy has a negative impact on the disposition effect, while the herding bias has a favourable influence on mental accounting and does not affect overconfidence and emotional bias. Men exhibit greater levels of confidence compared to women, whereas younger investors display herding behaviour and a larger degree of representativeness bias in comparison to older investors.

The study conducted by Prosad et al., (2022) investigates the behaviour of Indian investors in Delhi. The chi-square test was employed to analyse the data. There are four specific behaviours that are used to measure bias: overconfidence, pessimism, herd behaviour, and the disposition effect. Women exhibit a lower degree of overconfidence and a higher amount of pessimism in comparison to men. Behavioural bias is positively influenced by investment experience, age, and investment frequency. A strong understanding of investment principles might help to mitigate irrational behaviour among investors when making investment decisions. Investors with a greater level of financial expertise will make more reasonable investment judgements. Behavioural bias is a crucial factor in decision-making, alongside information. Investors may exhibit irrational behaviour, leading to potential investing errors (Maslova et al., 2020).Financial literacy enhances individuals' ability to make informed and prudent financial choices, whereas behavioural bias contributes to illogical financial conduct. Investors with higher levels of overconfidence tend to exhibit greater risk-taking behaviour and make more bold judgements. Similarly, the level of representativeness behaviour is directly proportional to the irrationality exhibited in making stock investment decisions (Fauset et al., 2022). According to prior studies. The postulations of this investigation are:

H1: Investment knowledge has significant effect on investment decision.
H2: Sociodemographic factor has significant effect on investment decision.
H3: investment knowledge has significant effect on behavioral bias.
H4: sociodemographic factor as significant effect on behavioral bias.

There are discernible differences between men and women when it comes to making investment decisions. Women exhibit a greater degree of caution in their decision-making process, whereas men tend to prioritise their investment goals and outcomes. Consequently, men tend to possess a higher level of confidence in their investment decisions (Ngcamu et al., 2023). This confidence often leads to a behavioural bias known as overconfidence, which is more prevalent among men. Additionally, Baker et al., (2021) highlight that young investors display a higher tendency towards representativeness behaviour compared to older investors. Young investors tend to assume that past profits will continue to yield future gains without adequately considering the current circumstances. On the other hand, older investors exhibit a higher level of overconfidence compared to those who possess more recent information (Agha & Pramathevan, 2023). Based on these observations, the subsequent hypotheses of this study are as follows:

H5: behavioral bias has significant effect on investment decision.
H6: behavioral bias mediates investment knowledge on investment decisions.
H7: behavioral bias mediates sociodemographic factor on investment decisions.

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3. RESULTS AND DISCUSSION

Based on the data presented in Table 2, the largest proportion of participants were between the ages of 21 and 25, accounting for 79 respondents, which represents 54% of the total. A mere 71 persons fell within the age range of 18 to 20, making up 46% of the whole population. Moreover, based on the data provided in table 4.1, it is clear that the sample consists mostly of 88 males (59%) and 62 females (41%) in terms of gender distribution.

Table 2. Respondent Profile

Item	Total	Percentage (%)
Sample	150	**100**
Sex		
Woman	62	**41**
Man	88	**59**
Age		
18-20 years	71	**46**
21-25 years	79	**54**
Experience		
< 6 months	46	**30**
6-23 months	65	**43**
> 1 year	**39**	**27**

The respondents had a restricted investment experience of less than six months. There are a total of 46 persons, which accounts for 30% of the sample. Out of the total number of respondents, 65 individuals, which represents 43% of the total, possess investment experience that spans from 6 to 23 months. Furthermore, 39 respondents, accounting for 27% of the total, possess investment experience beyond one year.The convergent validity of the outer model was evaluated by examining the loading factor value. An indicator is deemed to possess convergent validity in the satisfactory range if its outer loading value exceeds 0.7. The following values represent the external loadings of each indicator in the research variables:

Table 3. Outer Loading Score

	Variable			
Item	**Z**	**Y**	**X1**	**X2**
Z1	0,851	-	-	-
Z2	0,922	-	-	-
Z3	0,906	-	-	-
Z4	0,806	-	-	-
Z5	0,817	-	-	-
Z6	0,881	-	-	-
Y1	-	0,794	-	-
Y2	-	0,918	-	-
Y3	-	0,904	-	-
Y4	-	0,791	-	-
Y5	-	0,827	-	-
Y6	-	0,862	-	-
X1.1	-	-	0,881	-
X1.2	-	-	0,942	-
X1.3	-	-	0,926	-
X1.4	-	-	0,819	-
X1.5	-	-	0,871	-
X1.6	-	-	0,889	-
X2.1	-	-	-	0,816
X2.2	-	-	-	0,830

The evaluation of the convergent validity of the measurement model using reflexive indicators relies on the correlation between the estimated item component scores. Based on the information shown in table 3, it is clear that every indicator of the research variables has an outside loading that exceeds 0.7. Moreover, satisfying the convergent validity requirement is enough to guarantee the suitability of the constructs for all variables. Furthermore, the discriminant validity test is dependent on the value of cross-loading. Discriminant validity of a variable is determined by assessing its cross-loading indicator and comparing it to the indicators of other variables, with the variable having the greatest value being regarded to have discriminant validity. Table 4 demonstrates that the indicators used in this study show good discriminant validity in measuring their respective factors. The following values indicate the cross-loading of each indicator:

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Table 4. Cross Loading Score

Item	Variabel			
	Z	Y	X1	X2
Z1	0,851	0,664	-0,021	-0,14
Z2	0,920	0,655	-0,021	-0,218
Z3	0,906	0,642	-0,016	-0,176
Z4	0,806	0,697	0,037	-0,073
Z5	0,817	0,716	0,056	-0,227
Z6	0,881	0,659	-0,023	-0,166
Y1	0,626	0,794	0,172	-0,215
Y2	0,710	0,918	0,116	-0,308
Y3	0,682	0,904	0,124	-0,174
Y4	0,675	0,791	0,063	-0,195
Y5	0,670	0,827	0,139	-0,023
Y6	0,6120	0,862	0,122	-0,321
X1.1	-0,083	0,064	0,881	-0,033
X1.2	0,008	0,109	0,942	-0,15
X1.3	-0,008	0,102	0,926	-0,175
X1.4	0,047	0,175	0,819	-0,172
X1.5	-0,075	0,07	0,871	-0,134
X1.6	0,027	0,151	0,889	-0,043
X2.1	-0,174	-0,182	-0,152	0,816
X2.2	-0,146	-0,216	-0,079	0,830

The test's reliability consistency is assessed by calculating the Average Variance Extracted (AVE). A construct is deemed very reliable when the average variance extracted (AVE) surpasses 0.50. Table 5 presents the Average Variance Extracted (AVE) value for each variable. According to the table provided, it can be deduced that the Average Variance Extracted (AVE) value for all variables is more than 0.50, indicating that all constructions meet the reliability criterion.

Table 5. AVE Score

Variable	AVE
Behavioral Bias (X1)	0.747
Investment Decision (Y)	0.724
Investmen Knowledge (X1)	0.790
Sociodemographic factor (X2)	0.670

When evaluating the model using Partial Least Squares (PLS), it is necessary to analyse the R-square value for each latent dependent variable. Figure 2 illustrates the results of assessing the R-square estimation data using the smartPLS program. The R-Square value is computed using the following method:

Table 6. R-Square Score

Variabel	R Square
Behavioral Bias (X1)	0.038
Investment Decision (Y)	0.634

According to Table 6, the R^2 (R-square) value for the behavioural bias variable is 0.038. The loyalty variable can be explained by social demographic traits and literacy by 3.8%, while the remaining 96.2% is influenced by other variables that were not included in the study. The coefficient of determination (R^2) of 0.634 indicates that approximately 63.4% of the variability in the satisfaction variable can be accounted for by social demographic and literacy variables. The remaining 53.9% is influenced by other factors that were not taken into account in the research model. The assessment of the adequacy of the fit is decided based on the equitable value. The Q-Square number is synonymous with the coefficient of determination (R-Square) in regression analysis. A higher Q-Square value suggests a stronger correlation between the model and the data. The obtained Q-Square value results are as follows:

$Q^2 = 1 – [(1 - R^21) \times (1 - R^22)]$
$Q2 = 1 – (1- 0,038) (1- 0,634)$
$Q2 = 1 – (0,962) (0,366)$
$Q2 = 1 – 0,352$
$Q2 = 0,638$

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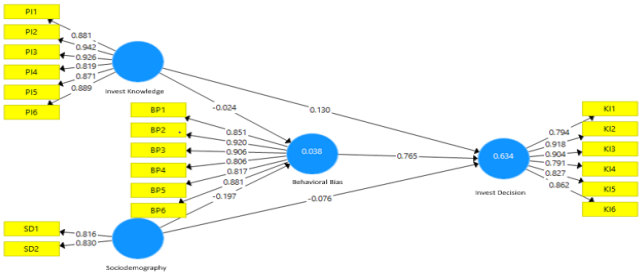

Figure 2. Structural Model

The relationship between the construct, the significant value, and the R-square of the research model is examined using the inner model inner. The structural model was assessed by calculating the R-square value for the dependent construct of the t-test and examining the significance of the coefficients of the structural path parameters (refer to figure 2). According to the computations, the Square value achieved is 0.638. The research model accounts for 63.8% of the variability in research data. Conversely, the remaining 36.2% can be attributed to additional characteristics that are not accounted for in the research model. Based on these findings, it can be concluded that this study model has a strong level of goodness of fit. The hypothesis testing in this study was conducted by examining the T-Statistics and P-Values. The study hypothesis can be deemed acceptable if the p-values are less than 5%. The study yielded the results of hypothesis testing together with their corresponding explanations.

Table 7. Boostraping test

Variable	Sample (O)	T Statistics (|O/STDEV|)	P Values
Z -> Y	0,765	10,116	0,000
X1 -> Z	-0,024	0,122	0,023
X1 -> Y	0,130	0,685	0,004
X2 -> Z	-0,197	1,341	0,021
X2 -> Y	-0,076	1,563	0,032
X1 -> Z -> Y	0,018	0,122	0,042
X2 -> Z -> Y	0,151	1,317	0,012

In this instance, the bootstrapping technique is utilised on the sample. According to the aforementioned results, p-values less than 0.05 indicate that all variables are statistically significant, and therefore all hypotheses are accepted.

3.1 Discussion

The initial hypothesis test reveals that investment knowledge has a significant influence on investment decisions. This analysis is consistent with the prior research conducted by Yuriev, Dahmen, Paillé, Boiral, & Guillaumie (2020).. Knowledge is the understanding of perceived behavioural control, which influences how one perceives things. Investors that provide financial support to gallery members are considered to be well-informed and knowledgeable. Therefore, they possess the requisite expertise, confidence, and abilities to effectively employ financial products and services. They make informed investing judgements based on their acquired information. Attitudes and behaviour are pivotal; depending solely on knowledge without taking action will not modify an individual's behaviour to optimise decision-making. Potential investors must possess investing knowledge or literacy in order to gain entry to the capital market or the business sector. Acquiring this information will enhance one's capacity to generate value and financial gain, as well as effectively handle both major and little risks to minimise the negative consequences of potential losses (Jiang et al., 2023).

The examination of the second hypothesis demonstrates that sociodemographic characteristics have an influence on investment decisions. The sociodemographic factors considered in this inquiry were age and gender. As investors grow older, their stock investment selections tend to become more reasonable. This study corroborates the conclusions of Brooks et al., (2021), which illustrate that older investors exhibit greater prudence in their decision-making compared to younger investors. As individuals become older, they exhibit a greater degree of prudence in decision-making. Consequently, senior adults tend to exercise greater caution when allocating their wealth to investment goods, and their propensity for taking risks tends to diminish with age. The sociodemographic parameters in this study were described using age and gender. When it comes to gender, there exist disparities between men and women in their stock investment decision-making. Men generally exhibit higher levels of confidence and irrationality compared to women, which can be attributed to their greater decision-making resilience. This finding aligns with the research conducted by Giannikos & Korkou's (2022), which suggests that women exhibit a greater degree of prudence in their investment decision-making and tend to allocate their funds towards low-risk products.

The outcome of the third hypothesis test suggests that investment knowledge has an impact on behavioural bias. Investors' level of investment expertise has a crucial role in reducing the occurrence of discriminating behaviour.

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Behavioural bias refers to the tendency of individuals to make financial decisions that are impacted by human emotions and cognitive errors. Atmaningrum et al., (2021) assert that behavioural bias often plays a substantial role in abnormal investor behaviour. Behavioural bias refers to the psychological factors that influence investors' financial behaviour, leading to unpredictable investing judgements. Investors may lose control and exhibit excessive optimism or pessimism due to an overreliance on emotions. Financial literacy is crucial for investors in order to mitigate behavioural bias, since it facilitates better financial decision-making. Investors with a higher level of financial understanding are less likely to display behavioural bias. Possessing a substantial amount of financial expertise can help investors avoid prejudice and make disciplined investment choices (Hoffmann, 2023)

Based on the previous findings, this sociodemographic component has an impact on behavioural prejudice. Sociodemography examines the behaviour of persons within particular geographic regions and places. Behavioural bias refers to the influence of human emotions and cognitive errors on investment decision-making in the field of finance (Gutsche et al., 2023). Behavioural bias can impact individuals across all age groups. This study examined the presence of cognitive bias in a group of individuals between the ages of 18 and 25 who were enrolled as students. Adolescence, which encompasses the ages of 18 to 20, is a developmental stage characterised by the exploration of one's identity. Adolescents have a higher level of engagement with their peer networks, which act as their main source of information, and they are prone to making biassed investing decisions as a result. Adolescents typically adopt the behaviour of their peers only after carefully examining the available data on stocks or evaluating their influence (Lopez-Mayan & Nicodemo, 2023). Kim et al., (2022) identified gender disparities in discriminatory conduct, with males displaying a higher tendency towards overconfidence compared to females. Younger investors exhibit a higher susceptibility to overconfident behaviour compared to older investors. Furthermore, the representativeness behaviour of young investors surpasses that of older investors. The representativeness bias is based on a heuristic approach to determine the most suitable category and establish the basis for understanding a new stock.

The data reveals that investment decisions are influenced by behavioural bias. The level of an investor's behavioural bias directly correlates with their propensity for risk-taking and chutzpah in making financial decisions. This conduct can lead to the presence of overconfidence bias and an irrational level of confidence in one's own thinking (Owusu & Laryea, 2023; Syarif, 2020).This conduct leads to investors becoming too confident and overestimating their capacity to assess the investment potential of the company. Consequently, individuals may become unaware of unfavourable information, indicating that it is advisable to refrain from or divest from stock purchases. It is imperative for individuals to possess knowledge, understanding, and concern for previous investment performance statistics in order to make informed investment selections. As a result, they are unexpectedly exposed to risk because their portfolio is doing poorly. According to Kuranchie-Pong & Forson, (2021) and; Syarif, (2023b), an abundance of trust causes investors to perceive their investment knowledge and abilities as superior to others, leading them to be more inclined to expand their investments.

The investigation shows that investment knowledge affects investment decisions by influencing behavioural bias. Investment knowledge encompasses the scientific understanding, acquired skills, and personal beliefs that shape an individual's attitudes and actions, with the aim of improving decision-making and financial management in order to achieve prosperity. Investors with a strong understanding of finance will be able to mitigate behavioural bias, which refers to the influence of human emotions on financial behaviour, as well as cognitive errors in financial decision-making. Behavioural bias often plays a key role in investor deviance (Jain et al., 2023) Behavioural bias refers to the psychological factors that influence investors' financial behaviour, making their investing decisions difficult to anticipate. Investors who are excessively influenced by their emotions tend to lose control and behave with either extreme optimism or pessimism. Furthermore, the level of an investor's financial expertise is inversely related to their behavioural bias. Having a strong understanding of financial concepts and principles might help investors avoid making impulsive and unwise investing choices. Investors that possess financial acumen will make judicious investment choices by carefully weighing the risks and potential returns. Acquiring financial information enhances the ability to make informed investment decisions. However, behavioural bias can lead investors to act in irrational ways (Ahmad & Shah, 2020)

The analysis suggests that sociodemographic characteristics impact investment decisions via affecting behavioural bias. Behavioural bias has the potential to impact every person. This study examined the presence of behavioural bias in individuals between the ages of 18 and 25. The era between the ages of 18 and 20 is commonly referred to as adolescence, which is characterised by a process of exploring and developing one's identity. Adolescents are highly engaged in peer groups, which serve as their main source of information. Peer organisations offer valuable perspectives on the attitudes and behaviours of teenagers (Hudson et al., 2021; Syarif, 2023a) Behavioural biases may arise when making stock investment decisions without thoroughly examining the available information about the stock and without taking into account the potential implications Furthermore, individuals between the ages of 21 to 25 are commonly referred to as early adults, exhibiting a proclivity for restlessness and a natural inclination towards rebellion. Furthermore, individuals in this age group are worried about their limited job opportunities (Y.-S. G. Kim et al., 2021), which increases the likelihood of behavioural bias among both men and women. The older investors exhibit greater prudence compared to younger investors in their decision-making process. As individuals age, they tend to exercise greater prudence in making decisions and often display reluctance when it comes to investing their money in financial items. As individuals age, they typically become less inclined to take risks, which helps to mitigate behavioural bias in decision-making. Women exhibit greater caution in their investment decision-making, opting for

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low-risk options. In contrast, men tend to have a higher susceptibility to behavioural biases, which often result in errors when making investment decisions (Hudson et al., 2021; Owusu & Laryea, 2023).

4. CONCLUSION

Investors contribute substantial amounts of capital to investments while making investing decisions. Investors might anticipate substantial returns over an extended period of time from this particular choice. Comprehending the correlation between anticipated gains and the level of risk associated with an investment is vital for making a choice. The link between investment risk-return and expected return is unidirectional and linear. Put simply, investors must evaluate the risk in proportion to the expected reward. Based on the preliminary findings, it has been determined that having information about investments and being influenced by behavioural biases have a significant and favourable effect on the decisions made regarding investments. Sociodemographic characteristics have a substantial detrimental impact on investment decisions. Both knowledge and socioeconomic factors exert a detrimental and substantial influence on investment choices. Behavioural bias in investment decision-making is influenced by knowledge and sociodemographic factors. Investment knowledge refers to the understanding and criteria that individuals use to justify and guide their investment decisions. Investment knowledge encompasses comprehensible notions regarding the risks linked to investment returns and other advantages. Effective decision-making necessitates a comprehensive understanding of socioeconomic and investment aspects. Investors who possess a comprehensive understanding of behavioural bias are likely to find financial decisions more controllable. Investors may make impulsive financial judgements due to behavioural bias. Men possess a greater capacity than women to make astute selections. However, women have the ability to reduce this behavioural prejudice. Women make investment decisions based on reliable facts and rational feelings. Biassed behaviour indicates that psychological variables have a role in financial decisions and often lead to illogical choices. Amidst the pandemic, there is a notable possibility of volatility in the value of financial market investments. Therefore, making financial judgements requires sufficient understanding and consideration of both knowledge and psychology. Investors should quickly gain financial literacy in this period of disruption, as information on Islamic financial products is easily available. To increase investment interest, stakeholders should persist in developing a program to improve literacy in the Islamic financial sector. Future researchers could expand upon the variables that impact investment decisions and utilise behavioural biases as intermediaries to categorise sociodemographic characteristics according to generation, gender, and region.

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