

**BEHAVIORAL FINANCE: A STUDY OF AFFECT HEURISTIC AND ANCHORING IN DECISION MAKING
OF INDIVIDUAL INVESTORS**

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ABSTRACT

The objective of this article is to investigate the presence of affect and anchoring biases in the financial decision making of individual investors. Another parallel objective is to verify whether the gender factor (male and female) or financial knowledge interfere with the presence of these biases. Considering the results of an innovative experiment, we found support to the existence of such biases. It was verified that there was no significant difference regarding men and women with respect to being attached, anchored or attached and anchored to their investments. The women in this sample were slightly more anchored. Finally, it was observed that the knowledge factor interfered marginally in affect, in addition to partially attenuating the anchoring bias.

Keywords: *Behavioral finance, Affect, Anchoring.*