International Journal of Business and Management Invention
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org || Volume 5 Issue 7 || July. 2016 || PP—54-56

The Effect of Psychological Factors on Financial Division Making

Zeinab Nazari[1], Farzaneh Oylia Zade[2], Farid Asgari[3]
[1]*(Islamic Azad University of Abhar, School of Business Administration, Iran)*
[2]*(Islamic Azad University of Abhar, School of Business Administration, Iran)*
[3]*(Islamic Azad University of Abhar, School of Business Administration, Iran)*

ABSRRACT : *The importance of the capital market, especially in banking institutions is highly consideredAnd financial behaviour as a new subject in this field is very important for organizations and they paid lots of attention to this topic in order to observe thefinancial behaviourof investment and in order To obtain the precise prediction the growth of the market and its needs. In this study we have analysedAyande bank customers. The results showedthat biorhythmFactors, the power of Inherent analysis, gaining prestige, adaptation of mental image, risk-takingdegree and self-confidence are Effective on financial behaviour. In terms of the purpose it is an applied research and by considering the survey, questionnaires were used.*
Keywords: behavioural finance, investment, factors biorhythm

I. INTRODUCTION

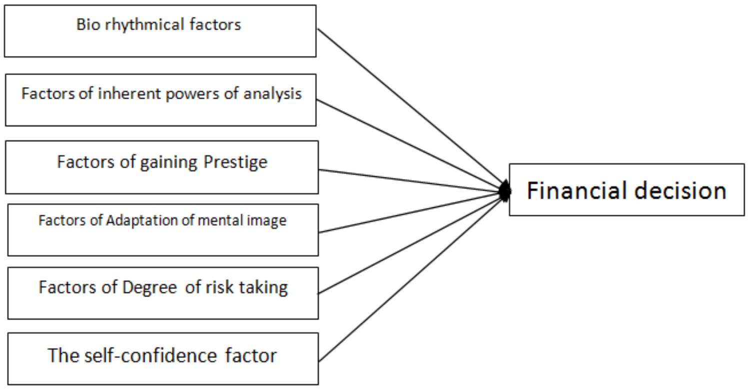
It seems that the history of financial theory in the past Fifty years can be summed up in two revolutions and main change. The first one is the neoclassical revolution in financial sciences. It began with The Capital Asset Pricing Model (CAPM) and the efficient markets theory (EMT)In the 1960s and Medium-term capital asset pricing model and arbitrage pricing theory (APT) in 1970. The second fundamental change was behavioral revolution in financial issues that began In the 1980s by raising questions about the source of volatility in financial markets and with the discovery of numerous disorders As well as efforts to integrate kahneman and tversky prospect theory and Other theories of psychology with financial theory (Nevins, Dan, 2004).

The main reason for this change and changes may be summed up in one sentence of Mr. Anderlues who believes: As the market changes and the emergence of new evolutionary forces to play a role, winners and losers in nowadays are different from the Winners and losers of the past and future. Therefore, the Necessity of All theoretical and practical changes is to maintain sustainability in the global economy. In other words, New theories, new tools are To deal with issues and problems that The old theories were unable to respond to them and In the absence of these tools and new paradigms, The economy of a country, In the most optimistic case, Will be able to solve old problems And will not have the share in the global markets in the future (Shiller J. Rober, 2003).

Collaboration of The financial sciences and social sciences, which is known as the Financial Conduct, Leads to the deepening of our knowledge of the financial markets. The presence of these mentioned Sciences on financial issueshas changed financial advisers to financial doctors. MeirStatman recommends financial advisors: Follow the medical model: Ask, listen, diagnose, and teach and treat. Financial advisors who work as doctors combine their financial knowledge with the ability of advising clients. In other words, they do not think about risk and return but will think about fear, passion and mistakes that may the client commit. As the doctors promote health and welfare, financial advisors also raise people's wealth and prosperity. "Electronic revolution in communications, the most important event of our time, leads to the complete transformation of financial institutions in the future (Koening, 1999).

Behavioral finance studies have roots in the cognitive sciences. So we explained this specialized issue from the perspective of neuroscience. Cognitive science defined simply as "the scientific study of the mind and the brain" and itis an interdisciplinary branch from different fields such as psychology, philosophy of mind, neuroscience, linguistics, anthropology, computer science and artificial intelligence. This science deals with the nature of mental activities Such as thinking, classification and processes that make these activities possible to perform. And more specifically among the main objectives in this field is a Research in the field of vision, thinking and reasoning, memory, attention, learning, emotions, perceptions, attitudes and issues related to language (the Handbook of Cognitive Science).The researchers of this field initially were trying to divide the thought of human into smaller components and to find the certain grammar and rules to get together these components. They say that Different thoughts were because of different arrangements of these smaller units. Later this method and review were under questioned and theories were raised in which different perceptions are in the brain which is because of low or high intensity of special connections in the brain (Bernstein, P.L, 2005).

Conceptual Model



Conceptual Model: Pompian, M, 2006

II. RESEARCH METHODOLOGY

This research is an applied research considering the purpose. Considering the time of data collection the study is survey based. Considering the method of data collection it is a field research. Ayande bank customers in Karajare included and the sample size is calculated based on the Cochran formula(122 people).To test the hypotheses, we used linear regression and Spss software for the analysis of the data will be used.

III. DATA ANALYSIS

Table 1 and 2 shows results

Table1: Model Summary

Hypothesis	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.262[a]	.069	.065	.73329
2	.462[a]	.213	.209	.67413
3	.387[a]	.150	.146	.70065
4	.487[a]	.237	.233	.66383
5	.237[a]	.056	.052	.73817
6	.432[a]	.127	.102	.72919

Table 2: ANOVA[a]

Hypothesis		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.904	1	8.904	16.559	.000[b]
	Residual	120.447	224	.538		
	Total	129.351	225			
2	Regression	27.553	1	27.553	60.629	.000[b]
	Residual	101.798	121	.454		
	Total	129.351	122			
3	Regression	19.386	1	19.386	39.489	.000[b]
	Residual	109.965	121	.491		
	Total	129.351	122			
4	Regression	30.640	1	30.640	69.531	.000[b]
	Residual	98.710	121	.441		
	Total	129.351	122			
5	Regression	7.293	1	7.293	13.385	.000[b]
	Residual	122.057	121	.545		
	Total	129.351	122			
6	Regression	6.187	1	7.273	14.325	.000[b]
	Residual	123.163	121	.511		
	Total	129.351	122			

IV. CONCLUSION

The results showed that Psychological factors more than logical issues are more effective on the financial behavior. Merilkas, A. and Prasad (2003) in their study had found that the impact of psychological factors in decision-making is very prominent in people. The fact that financial behavior is derived from logic is a tough topic. Even people rely on logic verbally. Undoubtedly, Unconscious is not out of the scope of decision. Bernstein (2005) have focused on this issue that they considered bio rhythmical factors as one of the affective elements on the subconscious. therefore certainly behavior In the area of investment is not separated from consumer`s behavior. And it can be firmly stated that financial behavior is influenced by psychological factors as well. In this study, Epstein, 1994. This is clearly mentioned that Statistics and information on the investment issues alone are worthless.

REFERENCES

[1]. Koening, J. (1999) “Behavioral Finance: Examining thought processes for better investing.” Trust & Investments, No. 69, pp. 17-23.
[2]. Pompian, M.(2006). "Behavioral Finance and Wealth Management", John Wiley & Sons inc.USA.
[3]. Nevins, Dan. (2004) “Goals-based Investing: Integrating Traditional and Behavioral Finance.” The Journal of Wealth Management, Vol. 6, No. 4
[4]. Shiller J. Rober (2003) “From efficient markets theory to behavioral finance.” The Journal of Economic Perspectives; Vol , pp. 83-104.
[5]. Merilkas,A. and Prasad, d.(2003). Factor influencing Greek investor behavior on the Athens stock Exchange, paper presented at the Annual meeting of Academy of Financial Services , Colorado,.
[6]. Bernstein, P.L,(2005) “Capital Ideas: From the Past to the Future.” Financial Analysts Journal, Vol 61, No, 6, pp.55-59.
[7]. KH Hanzaee, N Sammaknejad, DH Sadeh (2015) Impact of ads slogan with social content on amount of attention in billboard ads by using eye tracking, NeuroPsychoEconomics Conference Proceedings