

ABSTRACT

The purpose of this study is to evaluate the behavioural finance and financial literacy of the Generation Z investors investing in the stock market. The study aims to identify the mediating role of risk perception between investor's investment decision and their overconfidence & financial literacy. The outcomes of this study will expand generation Z investors' knowledge about the financial decision-making process.

The survey was conducted on several gen Z investors in Semarang. Data were collected in an online survey through online questionnaires which were then analyzed by partial least squares (PLS) SEM approach with Smart PLS version 3.3.9 to test the model in a quantitative way involving 122 respondent as a valid sample of Generation Z investor.

The finding reveal that overconfidence and risk perception significantly causes the increase in investment decision while financial literacy do not significantly affect investment decision. The results also show that. Risk perception significantly mediates between overconfidence and investment decision. However, it is also show that risk perception do not significantly mediates between financial literacy and investment decision.

Keywords : Overconfidence, Financial Literacy, Investment Decision, Gen Z investor