ABSTRACT

The development of cryptocurrency as an investment instrument is increasingly attracting the attention of investors, especially among the digital community. However, investment decisions in this asset are often influenced by psychological biases, such as herding bias and overconfidence, which can lead to irrational and high-risk decision-making. This lesson wants to explore the effects of each aspect that has been determined in this material as a topic of discussion for each problem studied. The lesson uses quantitative techniques using the SEM method and analyzes PLS media. The primary report was obtained from a questionnaire distributed virtually to the Tokocrypto Official Group, a total of 100 participants determined from snowball sampling.

This study found that herding bias does not contribute to crypto investment decisions, while overconfidence contributes to investment decisions. For financial literacy, it does not optimally moderate the relationship between each other variable. The results show that if investors have a potential level of financial literacy, psychological aspects play a major role in determining crypto investment decisions.

The lesson participates in enriching data on attitude funds by explaining the limitations of the function of financial literacy to suppress the psychological pressure of risky investment choices. Practical implications require mandatory investment education that can control the psychological elements of investment.

Keyword: Herding bias, Overconfidence, Investment Decisions, Cryptocurrency, Financial Literacy