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A Different Approach in the Field of Financial Behavior

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ABSTRACT: Economics as one of the human sciences that selection and exchange of people and huge economic consequences this decision will be studied at the level of society, psychologists have always been accused of ignoring the evidence and facts are related to human behavior. With established principles of behavioral economics wisdom and shaping a system of ideas based on this assumption, claiming compatibility with this scientific field. Since the unit of analysis in the science, the individual and his behavior, the interaction between science economics and psychology can be used for economic theorist's economists. Financial and investment topics in behavioral science from the new issues that have been raised recently in the sciences and financial investment. In this paper we examine the field of behavioral finance in that.

Keywords: Finance, Financial Behavior, Bias.

INTRODUCTION

Prior to the introduction of behavioral finance in financial management and economy, the behavior of investors in the capital market based on economic utility theory was interpreted, while numerous studies and research in the field of behavioral science, the importance of psychological factors determined. The theory of behavioral finance issues are new and its history dating back a decade ago, but the psychological characteristics and behavior of individuals involved in the purchase decision to return earlier period. While taking note of the developments in the capital markets must all internal and external factors and base narrowly examined, because we have thoughts, ideas and thoughts are facing a wide range of people who understand the prevailing mindset it is of utmost importance.

The theoretical basis for research: Financial Behavior: Finance (Ismail Pur et al., 2013) management of funds. In general, the areas of tax, finance and business, personal and public finance. Finance includes saving money and often includes lending and financial transactions with the concept of time, money and risk and how their communications. It also pays taxes to how to spend money and budget. a form of commercial finance to individuals and organizations who put their money in banks. Banks then use this money to other people or corporations to consumption or investment loans and higher interest received. Behavioral Finance (Tlngy, 2004) the study of the influence of psychology on the behavior of financial actors and its effects on the market. What we call behavioral finance or sometimes behavioral economics, essentially explains why and how people at the time of investment, saving, spending and borrowing behavior symptoms that look model Traditional financial management seems illogical. This part of the financial management in recent years has shown considerable growth. So now in addition to professional journals published articles in prestigious journals growing number of traditional financial management Such as Journal of Finance Belong to this area. Suffice to say that the importance of behavioral finance is considered by many experts such as Nobel Laureate economist Robert Shiller, the financial crisis gripped the world in the past few years has been the complex roots of behavior and psychology.

Warren Buffet, As many as the greatest investor in the world, you know, once said: "Investing is simple, but not easy. "The written brief non-technical language of some of the principles and applications of the principles of behavioral finance investment decisions refer. Basically, behavioral finance many of the fundamental assumptions of traditional finance challenges, one of which assume all investors are rational. In fact, behavioral finance due to the deviation in prices of some assets of their intrinsic value, its existence knows the irrational investors. Moreover, a prevailing belief (which is also questioned by some theorists) is a risk-free opportunity to profit from the difference between the market price and intrinsic value of the asset created usually eliminates this gap and return price to the intrinsic value) Fair) are not. The important principle in behavioral finance called arbitrage restrictions. Behavioral finance in forming hypotheses and theories of knowledge such as psychology, sociology and neuroscience, and especially its subdirectories such as neural psychology borrows. Variable phenomena in a wide range of behavioral finance investor behavior in the individual level and at the level of the market, the modeling and interpretation. Here we can behavioral finance micro and macro divided into two parts.

1 - Behavioral Finance Micro sympathies and biases of individual investors in the review. In such a way that it is, "rational actors" posed in classical economics knows.

2 - Macro-financial behavior that is contrary to the principle of the efficient market hypothesis that behavioral model is able to explain it identified and described.

No branch of behavioral finance and financial supplement classic but it is a substitute for it. As compared to the relationship between these two views of the relationship between classical physics and quantum physics to like it.

Behavioral bias (Bike & Judge, 2007): In behavioral finance, behavioral traits that affect people's decision-making process are examined. These features are "biases Behavior "is. Studies several a doors Background Types Errors Perceptual and how impact this errors decisions trade financial capital investors a door open financial and concluded have that decisions capital investors under impact several error the Place. From Index Most Researchers a door this area Kahneman and Tversky were that with proposed the theory expectation, to expansion this Knowledge help dramatically respectively, You may also find Schneider, Weiss, From Since That Time and References Recognition Limited Are, Not Power Data Some to that from Environment Obtain and to the face Optimization Case Analysis and analysis The D Ed. Therefore, Mind Human to Way Natural the rules Head Finger use and slow. If From The Method And Initiative To Way Appropriate Use There, And They Effective Indeed There, a door other the face Bias And Other Able Avoidance Ago Will The . To Way General Possible Is Individuals a door process Thinking and Decision of with Error Are.

Classification of behavioral bias: Researchers and experts in behavioral finance different categories of behavioral bias etc. Furthermore explaining that the continued selection Of From This Floor Distributor of: See the to: City Abadi division category under to bias of behavioral see data is: Own Deceiving Or Learn Confidence Means Confidence More from limit to knowledge and ability and, innovative approach: a series of rules of thumb or mental shortcuts that will ease the process decision Trade Will Was. Obviously, is that methods original always to decision trade right lead will not was? Interactions social people's tendency has a door decision and their judgment with others is consistent. Also, another three division category general from resources that causes Create Bias a door the process thinking and decision of Individuals and there, are from:

1) Method Hayabtkary,
2) Own Deception And
3) Interactions Social

METHODOLOGY

From it where that capacity processing information a door man limited the Seth, individuals to method and decision of incomplete or method and initiative on and they that to decision of and good and lead and are . To the short building that a door processes decision of the face and therefore, simple building initiative (Farmer, 2008) saying and be. Actually, face and initiative A series the rules head finger or between on and mental (Rai & Fallahpour, 2004) are that cause ease a door the process decision of Are. Mind Human from the rules Head Finger to intended purpose resolution rapid issues complex use and slow.

Own Deception (Saadi et al., 2010): Since that individuals to because confidence more from too, more wet from what that expectation have break and Eat, a door length time, learning Rational Causes and the that confidence more from limit delete the respectively. Nature individuals it and to encouraging and slow that for successful show give, (The self-Deception a door successful) to mechanisms D Gary On they a door one from the mechanisms and individuals some event and to way bias between to themselves ratio and answer. To phrase others it and outcomes good to ability and themselves and outcome and bad to environment and events foreign ratio and answer. The mechanisms causes and the individuals too so to themselves more from limit safe are. To way general a door theory own deception furthermore, on discuss confidence more from limit to mechanisms some paid and that during the individuals to follow way some and return that outcome decision of and ago own to justification to and the respectively. Thee have respect others to themselves attraction there.

Social Interactions: Specialists financial, psychology social to low wet case attention the data have. Theory theorists financial impact information on price take stock and volume deals to investigation and have, but research low more about to interactions between individuals a door market performance data have. Individuals specialty has up to a door decision of and verdict there with others too Nov is. Schiller and Lbs. a door research that performance respectively, observation they that about all Investors investors That most recently authority to bought were, it share to from through reedit Information Rejection and substitute Goods and communications available between investors identified and were. A door others example and available a door the background and power to tasyrgftgvhay internet on price take stock Hint A. Prospect theory four important aspects of the behavior of investors are that in 80 years by scientists like Thaler, Schiller and Johnson completed. Reason Kahneman and Tversky a door 1979 theory eye landscape to offer they that show the how Investors a door some time to way systematic theory utility to ignored and Fall. On according to function value offer goods by Kahneman and Tversky, tilt function utility wealth before from Point turning a door living room increase and so from it with increase wealth a door living room decrease and speech they that time that investors a door section negative Wealth (Losses) are then from risks aversion to risks of change direction and answer (Farmer, 2008).

Theoretical relationship between economics and psychology: Samuelson in one of the definitions provided for economy and society to study how people choose to use scarce productive resources to produce goods and distribute it knows. At the same definitions, "economics is a social science that the actions of individuals and groups human in the process of production, exchange and consumption of goods and services used to "or as" the study of how to allocate limited resources to meet the demands of the people "has been introduced. The comprehensive definition, the economy power "to study the economic agents with a focus on incentives," he said. In this definition, this will be the five fundamental elements: conflict, incentives, trade, and distribution of information. Psychology is the study of human and animal behavior the scientific study of behavior and the science of behavior and mental processes are defined. All the activities observable behavior a living by other people or devices Mojo experts is meant.

Application Finance Behavior a door investigation factors effective on output and price investment finance views: Studies experimental a door background behavior Suha M, facts to bright is that a door total leg paradigm rational to more wet this question and win. Most from the facts a door relationship with Factors Effective on returns takes stock and are. The studies show data is category special from take stock, returns higher ratio to category and others have. The facts event and other normal famous are.

Future interaction of economics and psychology: According to the current understanding of external economists no different preferences to choose between its formation on economic and social interactions of everyday life, judgment on the economic well-being - that is based on the assumption - and consequently policy and institutions that are not taken into account behavioral changes will be reflected. To the other to achieve normative policy recommendations and opinions Asbatyv possible and achievable in the context of the aforementioned studies, it seems. Since generally according to integrate the epistemological and methodological, and theoretical studies in this area will also be created on the basis of economic theory for methodological tools available to be unimaginable economics Open answer (Saadi et al., 2010). Interdisciplinary studies in an expression, reflects tool of knowledge and expression to represent a context of economic theory are subjects of study. Economists exaggeration of theories in economics, theories universal reading and economists know that economic theory is quite relative and one-dimensional, both using the insights these studies find that middle way for their conception of scientific theories are open. For this new interdisciplinary and interdisciplinary studies can be more universal than the previous ideas that viewed from different angles are faced with a special problem. Understanding behavior and Even the formation of individual motives in economic exchanges is an example of this state of affairs. On the other hand this interdisciplinary studies, shows the importance of cultural and social institutions and frameworks in shaping incentives and behavior of individuals. These studies with the loss of a wide range of conditions and forms of experience, the verdict will be an encyclopedia that explanatory power and predictive behavioral choices in terms of economic agents Economists answer. If the formation of individual and social preferences missing link is the method used in economics and psychology to understand the future role of human social behavior is rational and irrational general direction of economic interaction and psychology in future studies will be clear. In other words, in the future rather than relying on the development of the so-called imperial economics, focus on entering new dimensions of psychological sciences will be like. As noted, one of the important areas that require further study and is a more accurate way of shaping social preferences using tools and techniques in experimental psychology.

RESULTS

It must respect the limits of the achievements of our border from each other. In the words of Schumpeter, that we use the assumption that the content is dependent on a certain degree, but does not necessarily mean entering a field of study disciplinary and interdisciplinary considered and economists or psychologists should not worry about blurring the identity of his science in the future.

According to the conceptual scope of the definitions of economics and a key component in studies in science, economic concepts such as balance, rational choice, savings, utility maximization, preferences, behavior under uncertainty and all the social discount rate Direct contact with the psychology and behavior under uncertainty and social discount rate between economics and psychology precise way that each wrong answer discuss individual problems appear. On the other hand, some men use the concept in psychology, such as motivation, self, cognitive dissonance, and self-esteem can be directly analyzed by psychologists, economists and observers also on understanding individual behavior, will be affected (Frankfurter& McGoun, 2002).

Financial behavior

Financial behavioral finance is a branch of science that deals with the psychological approach to the behavior of financial markets. Investors are three forces basic decisions:

A) Motivation and goal loss aversion
B) Having overconfidence
C) The appearance of the nose
D) Diversification
E) Hanged

Financing of about a hundred years ago, along with the prosperity and development of the science, models and tools for the valuation of assets created, many of which are now known as fundamental analysis used by the experts to evaluate the Company's shares a. Some experts believe that the analysis of long-term financing, the value of all assets (including shares) of the undisputed rules of this science tradition, regardless of short-term volatility, the only suitable method for decision financial markets analytical model is correct. In the meantime, however, cannot ignore the valuable services of this science and its practitioners but by studying the behavior of investors on the ground can be reached numerous examples decision the basis of in the capital of Turn differ Finance theorists have predicted. According to the efficient market theory only, the fundamental news that would alter the intrinsic value of the shares, they can change the price and the transaction motive for their investors. The stock turnover ratio to over 100% in most financial markets as well as states that are far more motivated transaction among investors because the nature of the information published on the company in a year is not enough that the huge amount of buying and selling shares account.

Loss aversion: Finance is the branch of science that deals with the psychological approach to the behavior of financial markets. The behavior patterns of investors and offer concrete examples, a clearer picture of how investors make decisions in different situations and consequently, the behavior of financial markets Pradzym.

Overconfidence: An overview of the achievements of psychology states that the phenomenon is a common trait among most humans confidence of the financial markets is abundant.

Respect of: There is a common term in the science of behavioral finance that may be the most relevant of Farsi "respect of" (Shahrabadi & Yousefi, 2007) is. It states that people naturally what they see as superficial and without enough attention to their mental problems are related.

Diversification: One of the basic principles of science financing concept of "risk" is simply defined as the probability of achieving the expected return. Experts believe that investing in the stock market is essentially the science of risk has substantial but using Article important diversification you can minimize the risk parameters.

Regret (Barberis& Thaler, 2001): The most famous psychologist and founder of behavioral finance studies have shown that people who are in a position to do unusual selection decisions, are more likely to feel regret. Iranian saying "you do not want to expose crowd out" Crudely of this fact. Imagine the psychological aspects of human life in various aspects including investment categories to show off.

Risk and Return: The output is a direct relationship between risk and return is explained financial management. This basic principle states that financial profitability only in relation to risk incurring higher education and, in contrast, would naturally reduce the risk of yield loss expected to will follow.

Self-control: One feature of human psychology that it works in various spheres, including in the investment reflected, it is. It simply states that many people are unable to control. Because of the lack of inhibition needs and desires to be able to make optimum (in economics). In other words, in some circumstances, the real decision investors with what they are different theories predict the economy and finance. Behavioral researchers several studies have demonstrated the existence of this factor. Thus this natural tendency, many implications in the field of investment has created and people have adopted various strategies to deal with it (Shahrabadi & Yousefi, 2007).

CONCLUSION

Finance behavioral, area the new leg and in living room growth is. a door indeed start official discuss and it decade 1980. Most from research some that case discuss the way, a door eight year recent the face is. Too so that discuss was, a door finance behavioral, assumption and limited manufacturer financial next shared and the and trying and the with attention to customer real to model building a door area financial paid. The power limited a door Calculations, complex be issues decision of and existence some errors systematic a door verdict and Causes and the human and to the face completely rational action not. Economics concepts such as balance, rational choice, savings, maximization or maximization of utility, preferences, and behavior under uncertainty, and this is also linked to decisions by capital markets conditions and the attitude of individuals. This both as an integral part, to the appropriate decision-making and therefore actually an important part of the science needed to make Tsmymatmnasb in the capital market, technical or behavioral modeling with information as to which direction The study of human behavior and wealth decisions incentive pays. So these two disciplines from the humanities to the path of human excellence can be used for economic decisions.

Conflict of interest

The authors declare no conflict of interest

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