

A Study on Human Behavior Impacts Investment Losses and the Role of Options Trading

Prof. Manali Jani, Shweta Jani, Karan Raichura

Asst. Professor and Research Scholar

Tapasya Integrated School, Gujarat

St. Rock's College of Commerce and Science, Borivali (W), Mumbai, India

Abstract: *This research paper explores the intricate relationship between human behavior and investment losses, with a particular focus on the role of options trading in shaping investor decisions and outcomes. By employing a comprehensive analysis of historical data and behavioral economics theories, this study sheds light on the psychological biases and emotional factors that often lead investors to make suboptimal choices, resulting in significant financial losses. It also investigates how options trading, with its unique risk management strategies and speculative opportunities, affects investor behavior and the potential mitigation of losses. The findings of this research provide valuable insights for investors, financial advisors, and policymakers, offering a deeper understanding of how human behavior influences investment outcomes and how options trading can be utilized as a tool to manage risk and optimize investment portfolios.*

Keywords: Options Trading, Risk Management, Investor Decisions, Investment Behavior, Losses