

ABSTRACT

The Influence of the Information Usefulness, Behavioral Factors, and The Environmental Uncertainty Toward Mental Discounting, and Return of Subjectivity on Securities Analysts at the Indonesian Stock Exchange (IDX)

The study objective is to assess and obtain empirical evidence of securities analysts behavior in the decisions in selecting the stock candidates (mental discounting) at the Indonesian Stock Exchange which depends on the influence of financial information and non-financial, revising beliefs, subjective norms, environmental uncertainty, and risk perception of the company. The implication of the intention to select the stock is the expectation of the return of subjectivity to maximize the utility of investors.

The design of research is non-experimental research. It is classified as explanatory research which is related to human behavior in providing an answer to a question (perceptual explanatory research). The main method of research is a survey method. Type of data is primary data. Dimension of time is one shot study. Respondents of this study are the numbers of securities analysts consisting of 178. The unit of analysis is the individual securities analysts. Data are analyzed by using Structural Equation Modeling (SEM).

The study shows that 1. The information usefulness have positive influence on belief revision. 2. The information usefulness have positive influence on the perception of risk. 3. The information usefulness have positive influence on the return of subjectivity. 4. Perception of risk has negative influence on the return of subjectivity. 5. Belief revision has positive effect on mental discounting. 6. Perception of risk has positive influence on mental discounting. 7. Subjective norms have positive influence on mental discounting. 8. Environmental uncertainty has negative influence on mental discounting. 9. Mental discounting has positive influence on return of the subjectivity.

Study findings indicate that the accounting information in the principles of historical cost has the characteristics of relevance, reliability, disclosure and benefits in the revision of beliefs securities analysts, providing unsystematic risk perception, and it has value relevance and decision usefulness in making stock selection decisions. Securities analysts who should be sophisticated, disjunction in uncertain conditions, receive halo effect, as well as risk neutral preferences in choosing stocks. This study was able to develop Theory of Reasoned Action in stock selection models by using variables of the information usefulness, the revision of beliefs, perceptions of risk, environmental uncertainty, mental discounting and the return of subjectivity.

Keywords : *Information usefulness, belief revision, subjective norm, perception of risk, environmental uncertainty, mental discounting, return of subjectivity, decision making*