

## **Evaluating the Rationality of the Investors Investment Decisions**

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### **Abstract:**

The research aims to evaluate whether the Palestinian investor's investment decisions are rational or irrational. It also try to answer the research question that whether the Palestinian investors in PSE depend on financial analysis or take in to consideration the external factors to make their investment decisions.

The research society involved investors in PSE. The questionnaire has been distributed in Al Wasata and Sahem companies.

The research sample is (50) investors, (37) Questionnaires were returned which represent (74%). In Al Wasata we distributed (25) questionnaires and (25) were returned which represent (100%). In Sahem Company we distributed (25) questionnaires and (12) were returned which represent (48%).

The research reveals some important results such as the investors are aware to the importance of using the financial analysis in making investment decision. Somehow there are some external factors such as rumors and intermediary's advices affect the investor's investment decisions.

At the end of this research, some of recommendations are included such as; The Palestinian investor should increase his knowledge in the investment issues, PSE should provide the needed information and awareness insertions for the investors to help them to invest rationally. And PSE should provide new investment opportunities by assisting the inclusion of new companies to be listed in the PSE.