Journal of Research in Business : 7 (2), 405-420 December • Dezember • Aralık: 2022 • ISSN: 2630-6255
DOI: 10.54452/jrb.1060254

RESEARCH ARTICLE • FORSCHUNGSARTIKEL • ARAŞTIRMA MAKALESİ

A STUDY ON LOSS AVOIDANCE AND RISK PERCEPTION OF GRADUATE STUDENTS STUDYING IN THE FIELD OF ACCOUNTING AND FINANCE SCIENCE: THE CASE OF ATATÜRK UNIVERSITY

MUHASEBE VE FİNANSMAN BİLİM DALINDA EĞİTİM ALAN LİSANSÜSTÜ ÖĞRENCİLERİNİN KAYIPTAN KAÇINMA VE RİSK ALGISININ ARAŞTIRILMASI: ATATÜRK ÜNİVERSİTESİ ÖRNEĞİ

Serpil SUMER*
Nazan GÜNGÖR KARYAĞDI**

Abstract

Individuals prefer to invest by evaluating the risks and current losses that they will be involved in when investing in a company. Also, many factors such as age, gender, educational status and the professions they perform are also effective in shaping the risk and loss factor that occurs when making an investment decision. In this context, the purpose of study is to examine the perspectives of graduate students studying in the field of accounting and finance on the concepts of risk and loss aversion and to investigate their impact on investment decisions. In this study, which was conducted for Atatürk University students and tried to analyze the case with a science pattern, a semi-structured interview form technique was used. As a result of the analysis related to the study, it was revealed that the education they received and the professions they have are effective in the investment decisions of individuals receiving graduate education, risk perception and loss aversion are effective in the decisions made. Among the reasons for loss and risk aversion, results were obtained such that feelings such as losing and failure are more common, losses are generally accepted at 10%, and investments are mostly used in investment instruments such as gold and stock market. In addition, it has been found that various factors such as “religious belief” and “level of return on the owned profession” have an effect on investment decisions made.

Keywords: Income, investment, risk, loss avoidance, behavioral finace
JEL Classification: G41, G32

* **Corresponding Author:** Dr., Atatürk University, Oltu Faculty of Humanities and Social Sciences, Department of Finance and Banking, serpil.sumer@atauni.edu.tr, ORCID: 0000-0001-8452-0393.

** Dr., Bitlis Eren University, Vocational School of Social Sciences., Department of Accounting and Taxation, ngkaryagdi@beu.edu.tr, ORCID: 0000-0003-3938-4147.

To cite this article: Sumer, S. & Karyağdı, N. G. (2022). A study on loss avoidance and risk perception of graduate students studying in the field of accounting and finance science: the case of atatürk university. *Journal of Research in Business* 7(2), 405-420. DOI: 10.54452/jrb.1060254

Ethics Committee: T.C. Atatürk Üniversitesi Sosyal ve Beşeri Bilimler Etik Kurul Başkanlığı, 17.05.2021 – 88656144-000.E.210.012.7625.

Submitted: 19.01.2022 **Revised:** 13.06.2022
Accepted: 20.07.2022 **Published Online:** 21.12.2022

Öz

Bireyler yatırım yaparken karşılaşacakları riskleri ve mevcut kayıpları değerlendirerek yatırım yapmayı tercih etmektedirler. Ayrıca yatırım kararı alırken ortaya çıkan risk ve kayıp faktörünün şekillenmesinde bireylerin yaş, cinsiyet, eğitim durumu ve icra ettikleri meslekler gibi birçok unsur da etkili olmaktadır. Bu bağlamda bu çalışmadaki temel amaç, muhasebe ve finansman alanında eğitim gören lisansüstü öğrencilerin risk ve kayıptan kaçınma kavramlarına olan bakış açılarının irdelenerek, yatırım kararlarına etkilerinin araştırılmasıdır. Atatürk Üniversitesi öğrencilerine yönelik yapılan ve olgu bilim deseniyle analiz edilmeye çalışılan bu çalışmada, yarı yapılandırılmış görüşme formu tekniği kullanılmıştır. Çalışmaya ilişkin analizler sonucunda, lisansüstü eğitim alan bireylerin yatırım kararlarında almış oldukları eğitimin ve sahip oldukları mesleklerin etkili olduğu, risk algısının ve kayıptan kaçınma duygusunun alınan kararlarda etkili olduğu ortaya çıkmıştır. Kayıptan ve riskten kaçınmanın nedenleri arasında ise daha çok tahammül edememe ve pişmanlık gibi duyguların yer aldığı, kayıpların genellikle %10 oranında kabul gördüğü, yatırımların daha çok altın ve borsa gibi yatırım araçlarında kullanıldığı gibi sonuçlar elde edilmiştir. Bunun yanı sıra yapılan yatırım kararlarında "dini inanç", "sahip olunan mesleğin getiri düzeyi" gibi çeşitli faktörlerinde etkili olduğu yönünde sonuçlar tespit edilmiştir.

Anahtar Kelimeler: Gelir, yatırım, risk, kayıptan kaçınma, davranışsal finans

JEL Sınıflandırması: G41, G32

1. Introduction

In the traditional theory of finance, it is assumed that individuals behave rationally. In the assumption of a rational person, the probability of an individual making a mistake in decision making is ignored, and it is argued that individuals are based on the expected maximization of benefits and profits in their decisions (Karagül, 2018:427). According to the behavioral finance assumption, individual exhibits irrational behaviors by not acting rationally when making decisions. As a matter of fact, the anomalies seen in financial markets support the assumption that individuals act irrationally when making decisions (Bulut & Er, 2017: 34).

There are many factors that affect the financial decisions of investors. Knight (1921) stated that uncertainty and risk have an effect on decision behavior. Since financial decisions are made about the future, the fact that the future is uncertain and contains risks makes it important for the decisions that the investor will make. Investors have a different attitude to the risk, which is expressed as an unexpected situation in the future. In the face of risk, investor types are divided into three as risk-loving, risk-insensitive and risk-averse (Korkmaz & Ceylan, 2012:473).

There are internal and external factors that affect financial decisions involving uncertainty and risk. Investors make decisions by staying under the influence of their beliefs, prejudices and intuition (Kıyılar & Akkaya, 2020:7). In other words, investors are under a cognitive and emotional tendency when making financial decisions. The tendency to avoid losses is also one of the investor trends that individuals are exposed to when making decisions. Investors who tend to avoid losses try to maintain their current situation when making financial decisions. For this reason, they avoid taking risks. Investors who are under the influence of this trend place more emotions on their losses than on their earnings (Yıldırım, 2017: 63). Individuals pay more attention to their gains and losses according to risk than to their returns according to risk. The sadness they experience because of the loss is greater than the joy they experience when they make a profit (Güngör & Demirel, 2018:121). For this reason, investors may prefer to avoid losing rather than making a profit.

Individuals can make wrong economic decisions when they avoid unnecessary losses too much. The wrong investment decision made by individuals not only affects the individual, but also affects the national economy. Financial decisions made have an impact at the micro and macro levels. Studies on investor trends are therefore important.

The aim of the study is to examine the perspectives of graduate students studying in the field of accounting and finance on the concepts of risk and loss aversion and to investigate their impact on investment decisions. For this purpose, the semi-structured interview form technique was used and the case was tried to be analyzed with the science pattern. Because loss creates a sense of regret in individuals throughout the study, individuals avoid loss. This result is consistent with the study of Kahneman & Tversky (1991) in the literature.

2. Literature Review

There are studies that investigate and examine the trends that individuals are influenced by when making financial decisions within the scope of behavioral finance when examining both national and international field writing. The attitudes of individuals towards risk and their tendency to avoid loss when making financial decisions are also among the issues discussed in the field article.

In their studies conducted by Benartzi & Thaler (1995-1999), the concept of "myopic loss avoidance" was studied and in this context, the confusion experienced in the buying and selling transactions of stocks was considered from the point of view of this concept.

In their study, Kouwenberg & Ziemba (2007) examined the loss aversion approaches of hedge fund managers and their decisions related to incentive in their studies. As a result of the study, it was concluded that there are a number of prejudices aimed at avoiding loss.

According to Kahyaoglu et al. (2011) examined the increase in the use of credit cards in Turkey in the effect of loss avoidance in their studies. After the 2001 financial crisis, the increasing financialization in Turkey has increased the use of credit and credit cards by consumers. According to Kahyaoglu et al. (2011) stated that the main reason why consumers use credit and credit cards is their tendency to avoid losses.

Another study in the literature is the work of Anbar & Eker (2012). In this study, it was aimed to evaluate the risk perspectives of investor individuals trading in financial markets and three important behavior models were revealed. These are risk-averse, risk-neutral and risk-loving behavior models.

According to Breuer et al. (2014) examined the factors affecting individuals' attitudes towards risk and their willingness to take risks. As a result of the study, they stated that culture has an effect on financial risk taking, while individuality has an effect on the tendency to overconfidence and excessive optimism.

According to Gül et al. (2017) have examined investor behavior in five dimensions in their studies. One of the dimensions in question is loss avoidance. According to Gül et al. (2017) stated that the vast majority of the participants covered in the study tended to avoid loss and that their tendency to avoid loss differed according to age, marital status and amount of capital.

Hamurcu (2019) examined the relationship between the loss avoidance behaviors of individuals and their mental behaviors. He stated that there is a significant relationship between mental endurance and avoidance-based behavioral finance trends, and that increasing mental endurance dec reduce the anomalies caused by avoidance in the market.

In their study, Tekin & Cengiz (2020) examined the effect of excessive confidence and the tendency to avoid losses on investment decision. As a result of their studies, they stated that individuals with a tendency to overconfidence prefer a risky investment vehicle, and a tendency to avoid losses is not effective in individuals' choice of an investment vehicle.

In another study conducted on loss avoidance, Akın (2020) mentioned the methods that should be followed in order to overcome loss avoidance (fear of losing) in the financial decisions that will be made.

Hunguru et al. (2020) investigated the effect of behavioral factors on individuals' investment decision. They noted that eight behavioral factors included in the study on the investment decisions of individuals investing in the Zimbabwean stock exchange were influential. Among the behavioral factors that influence individuals' investment decisionis there is the the tendency to avoid losses.

A similar study conducted on the same subject by Elhussein and Abdelgadir (2020) emphasized that loss aversion has an effect on individual investment decisions.

Shah & Malik (2021) examined the relationship between the frequency of trading on the stock exchange and the tendencies to avoid losses, overconfidence and regret decisiveness. In their results obtained from their studies, they stated that avoiding losses negatively affects the frequency of trading on the stock exchange of individual investors. In addition, they also stated that the negative impact of loss avoidance on the frequency of transactions is at a significant level.

Armansyah (2021) investigated the effect of loss aversion, overconfidence and mental accounting tendencies on individuals' investment decisions. In his study, he concluded that loss aversion has no effect on the investment decisions of individuals trading on the Indonesian stock exchange. He stated the reason for this result as the fact that investors do not have enough information about the markets and fully understand the investment risk.

Jain & Kesari (2021) investigated the relationship between financial risk tolerance and the characteristics of investors. As a result of the study, they stated that investor characteristics determined as the purpose of the investment, time horizon of the investment, asset class, investor type have a positive effect on the level of financial risk taking.

Aren et al. (2021) investigated the impact of personality traits on investment decisions with the dimension of risk taking and loss avoidance. They noted that investors with extroversion, openness and neurotic personality traits tend to be risk averse. Another result obtained from the study; they stated that there is a negative relationship between the tendency to avoid losses and the behavior of making risky investments.

There are various factors that affect the risk perception of individuals when making an investment decision. Psychological factors and demographic characteristics affect the risk perception of individuals (Bayazıt Hayta, 2014; Bayrakdaroğlu & Kuyu, 2018; Kahraman & Türkün Kaya, 2018; Demirci & Buran Köse, 2021).

3. Methods of the Study

There are various methods used in research. One of them is qualitative research methods. Within the scope of the study, an analysis was attempted within the framework of the phenomenology pattern using the semi-structured interview technique included in the qualitative research methods. Qualitative research is defined as a research method conducted with the aim of obtaining broad and deep knowledge about unknown or little-known topics using a limited number of samples (Ruyter & Scholl, 1998: 8). Qualitative research, which aims to reflect the experiences of individuals who have experience related to any subject by interacting with them, is mostly aimed at trying to understand actions and narratives (Miles & Huberman, 2015:6). Phenomenology, which is one of the qualitative research patterns, provides a suitable basis for employees to help them understand the facts that are the subject of the research in detail (Yıldırım & Şimşek, 2016: 69-73). In the phenomenology pattern, it is aimed to determine the meaning and structure of the experiences of the participants included in the study for the case (Patton, 2002: 104).

The subject of the research is the investigation of loss avoidance and risk perception of students receiving graduate education in the field of accounting and finance. Within this framework, a total of 4 main questions and sub-questions were asked to the participating students. The participants were asked to read and answer the questions carefully, the principle of volunteerism was kept at the forefront of the study, and it was preferred to meet face-to-face with the participating students. Participants who could not be interviewed face-to-face were interviewed via telephone and the interviews were recorded. The recorded interviews were then prepared as texts. In this context, interview form technique, one of the qualitative research methods, was used to guide the researcher's purpose in the most appropriate way.

In this study, all of the mentioned ethical principles were observed and the study was tried to be carried out within this framework. The research was conducted by Ataturk University on 17.05.2021. It was deemed appropriate by the decision of the Ethics Committee numbered 88656144-000.E.210.012.7625.

3.1. Data Collection and Analysis of Data

In the research, which is preferred to use interview forms, the questions created were prepared as a result of a literature review (Bayazıt Hayta (2011); Tekin & Cengiz (2020); Demirci & Buran Köse (2021)) conducted on the research topic; opinions were obtained from academics who conducted research on the topic. A pilot application was conducted with 4 participants using the interview form prepared for the research in the first place, and as a result of the application, no determination was made regarding the negativity of the questions. During the interview, the participants representing the study group were informed about the purpose and scope of the study. The conducted interviews lasted about 30-50 dec. The data obtained were analyzed by content analysis which is one of the qualitative research methods. Content analysis is defined as an analysis method that aims to draw meaningful results by bringing together similar texts identified in the study under certain concepts (Weber, 1990: 9). Creating catagories and collecting data by establishing a connection between these created catagories. In content analysis, evaluations made on the number of catagories are very important for dec analysis of the study (Silverman, 2013:811).

The data obtained as a result of the research were transferred to a digital program and subjected to qualitative analysis using the NVivo 11 program. During the content analysis, the data obtained from the students participating in the study were examined independently of each other and coding was made according to the results obtained. The similarities and differences in the data have been carefully examined and revealed. The data with connections between them were brought together and themes suitable for the purpose of the study were formed. The reliability of the analysis of the data in the study is important for research. Therefore, the formula (Reliability= Consensus /Consensus + Difference of opinion X 100), which was created by Miles and Huberman (1998) in order to establish reliability and it was taken into account and the result of the reliability of the study was determined as a result of the necessary calculations. If the result obtained according to the formula is 70%, then reliability is ensured (Miles & Huberman, 1994:64). The result in this study is 87%, so reliability has been achieved.

3.2. Working Group

While determining the study group related to the research, a criterion sample was used. Criterion sampling, which is included in purposeful sampling methods, aims to ensure that individuals, objects, events or situations that participate in any research have certain characteristics (Büyüköztürk, Kılıç, Akgün, Karadeniz & Demirel, 2014:91). According to qualitative research, the sample size used may be 1 or it may be 12 people (Patton, 2002:196). In this context, considering that the study is voluntary, Atatürk University, Institute of Social Sciences postgraduate education in the disciplines of accounting and finance and those who want to ensure participation of students in selected semi-structured interview form was conducted. The number of participants who contributed to the research on a voluntary basis is 19 people, and all of them are active students and mostly participants who are at the doctoral stage. In the study, the participants were asked "Ö1, Ö2,.........Ö19" nicknames were given. The opinions of the participants were quoted in accordance with the original by using these nicknames.

3.3. Purpose Of The Study

Individuals prefer to use some of their income for consumption purposes and some of their income for investment purposes. Those who are aiming to invest should pay attention to two important aspects in their investment decisions. These are the risk that the investment carries and the expected return on investment considerations. For this reason, it is important to evaluate the loss aversion and risk perceptions of individuals in order to determine the accuracy of investment decisions. In this context, the purpose of this study accounting and finance graduate students training in the investigation of the perception of risk and loss aversion and investment decisions regarding the execution of the training received the views of the profession of the risk of impacts is to examine whether loss aversion and investment decisions. In this context, the main questions created in order to achieve the purpose of the study are as follows:

1. What does financial risk mean to you?
2. Have the trainings you have received related to finance changed your perspective against taking risks?
3. Has your profession influenced your perspective on risk?
4. What does loss mean to you?
5. Do you want to take on risks and get higher profits, or do you want to make definite profits by taking on less risk?
6. Are you investing?
7. What do you pay attention to when making an investment decision?
8. How do you evaluate this money when you think that you have 50.000 TL at a time when you don't expect it at all?

3.4. Limitations and Assumptions of the Research

The epidemic process experienced when the research was carried out created a limitation in communicating with individuals. It is limited because the research findings do not reflect the views of all graduate students studying in the field of accounting and finance and do not have the argument of avoiding losses and fully representing the perception of risk in individuals. It is assumed that the students participating in the research were sincere in their answers to the questions posed.

4.Findings Related to the Research

In this part of the research, it was tried to include the data obtained and the results obtained about the research. According to the data obtained within the scope of the research purpose, three main themes were identified as the reasons for loss and risk aversion, factors affecting risk perception and investment decisions.

4.1. Causes of Loss and Risk Aversion

The concept of loss avoidance is a concept that defines individuals to be more sensitive to their losses than to their earnings. Risk is defined as the probability that the expected return will deviate from the realized return (Tekin &Cengiz, 2020:41). Individuals prefer to avoid loss and risk from time to time, and they can base these preferences on various reasons. The findings obtained as a result of the analysis of the participants' opinions on the causes of loss and risk aversion are presented schematically in Figure 1 below.

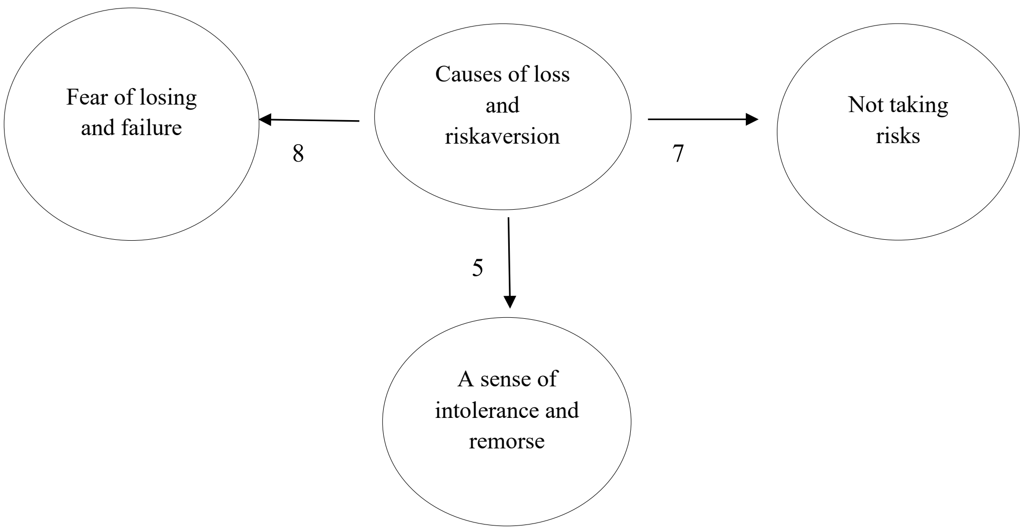

Figure 1: Causes of loss and risk aversion

According to figure 1, when the opinions of the participants are examined, the fear of losing and failing ranks first and the lack of risk ranks second; the feeling of intolerance and regret that comes to the fore as the reasons for avoiding loss and risk ranks third.

Below are some of the participants' opinions on the topic in question.

"I have no tolerance for loss. The loss makes me feel completely remorseful. I tolerate a loss of no more than 10%. I am absolutely risk averse or would like to assume minimal risk." (Participant Ö8).

"I think of loss as something I'll never get back. If it's going to be an experience situation, I can't see the loss much. I would be sorry if I suffered a serious loss. I don't have a lot of tolerance for loss, I don't like to take a lot of risks, so I don't think I will have any big losses. I'm solid about investing." (Participant Ö5).

"Loss gives me sadness, a feeling of failure. My tolerance for loss is 10-15%." (Participant Ö9).

"The loss is a very important thing for me. If I lost my investment, I wouldn't be able to recover for a week or so. That's why I'm diversifying. The loss is a bad thing for me and I can't stand any loss. I feel sorry for every loss. I can't even tolerate a loss of 1 pound." (Participant Ö3).

"It is a waste of my efforts. If it is below the breakeven point, I will count as a loss. The loss creates a sense of regret in me." (Participant Ö4).

"Financial risk: money, gold, stocks, etc. i can express it as the probability of a negative deviation from the value i calculated when processing such valuable assets."(Participant Ö13).

"There is the probability that I will lose my assets."(Participant Ö16).

"The probability of losing the company or the business is the probability of unexpected situations in the future, the emergence of negativity, the loss of money or assets." (Participant Ö19).

4.2. Factors Affecting the Perception of Risk

One of the interesting issues in the research is what are the factors affecting the perception of risk in individuals. In this context, the question was prepared and directed to the participants. Based on the opinions of the participants, it was revealed that the education received by many individuals and the profession they have have an impact on the perception of risk. In this context, the participant's views on the factors affecting risk perception and the results of the analysis are mentioned in Figure 2.

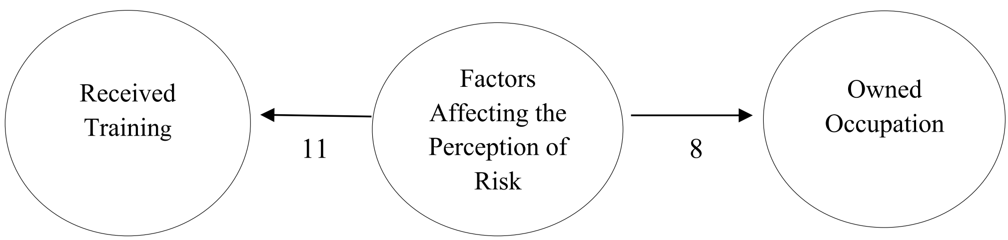

Figure 2: Factors Affecting the Perception of Risk

When Figure 2 examined, it was found that the educational element is significantly effective in changing the risk perception of individuals, and some of the opinions of individuals who reveal the importance of the impact of education are given below.

"*Of course it was. For example, I found out what the concept of risk is. Then I learned concepts such as market risk, credit risk, operational risk, liquidity risk from a financial point of view along with risk." (Participant Ö1).*

"Of course, changed. I've learned that I can manage risk. Thanks to the training I received earlier when I could not identify the risk, I now know that there are many different types of risk. The profession I do has no effect on my perspective on risk." (Participant Ö8).

"I might not have thought so if I hadn't been here. If I wasn't here, it would be an investment for me to just buy gold. The education I received has a contribution on financial risk, but it has no effect on my being in an academy-working environment." (Participant Ö5).

"The trainings I have received have an impact on my identification of risk. The risk is not to make the same mistake a second time." (Participant Ö7).

"*Yes, it changed my perspective. We can say that it contributes to making investments and being cautious about the risk to be undertaken by making a more informed analysis. It has enabled us to become more knowledgeable and knowledgeable in the management of risk." (Participant Ö18).*

"*Yes changed. I am calculating the cost-benefit analysis of the risk I received." (Participant Ö16).*

It has been determined that another factor that is effective in the perception of risk in individuals is the profession that is owned, and the opinions of some of the participants are given below.

'The idea that "if the risk increases, the return also increases" described in finance courses did not affect my view of risk. My perspective on risk is also related to the fact that I am an academic. The fact that I have a profession has affected my risk-taking level and my perspective on risk. Although the lessons I learned were the basis of my risk perspective, the environment I lived in was effective.' (Participant Ö3).

'The educational process influenced my definition of risk. My profession has an impact on my view of risk.' (Participant Ö6).

'The courses I took taught me about risk reduction methods. It affected my perspective on risk. As my knowledge about taking risks has increased, my sensitivity to risk has decreased. We can reduce our risk by diversifying. That's why my fear of risk has decreased. My profession has had an impact on my perspective on risk. I think I am reducing the risk because my profession gives me vision and increases my knowledge. In 2020, when bitcoin prices were at a low level, virtual money was risky, but I took risks and invested.' (Participant Ö4).

'Of course, my profession also has an impact.' (Participant Ö9).

"*My profession has had an ımpact on my perspective on risk.*"*(Participant Ö14).*

4.3. Investment Decisions

There are various factors that affect individuals' investment decisions. At the beginning of these factors, economic, financial, environmental, individual, political and legal factors come first (Caner, 2019:18). Within the scope of the study, the question was asked about which factors are effective in shaping the investment decisions of the students who have received graduate education in the field of accounting and finance and the opinions and results of the analysis are given below. Figure 3 shows the scheme for making investment decisions.

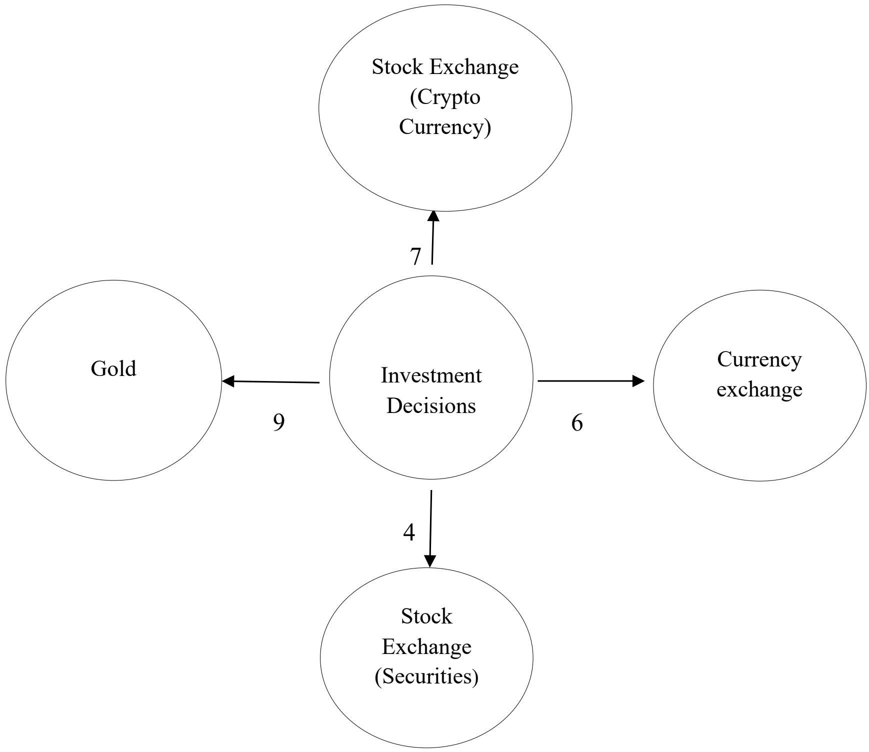

Figure 3: Investment Decisions

In order to find out which channels the investment decisions are concentrated in, it can be seen that the investment in gold is in the first place, the crypto currency exchange is in the second place, and the investment in foreign currency is in the third place when looking at the answers to the question asked by the participants and the information contained in figure 3. According to the results of the analysis, it is seen that the investment in securities is in the last place.

Some of the opinions of the participants on the topic are given below.

"I would buy gold. I always consider gold to be a profitable investment tool, as there is not a lot of playing. Or I would invest by buying dollars. The virtual stock market doesn't appeal to me. I also can't look hot because of my religious beliefs. A lot of people have turned to the virtual exchange, I'm not looking hot. I don't see virtual money as a trustworthy investment tool. You can lose a lot in an instant. Taking risks doesn't mean losing it all." (Participant Ö1).

"I'll evaluate it on the stock exchange. I'll buy from the new public offering. Or I invest with the idea that the company it represents, which has a slightly lower current price but has promising affiliates, will

achieve high profits going forward. In the same way, I invest in crypto money in the long term. A bird at hand is better than two birds on a branch." (Participant Ö2).

"I'll take gold and dollars directly. I asked the bank, got information from my friends. Diversifying my risk, I bought gold and dollars. I'm afraid to buy gold from a jewelry store when buying it and enter bitcoin, stocks, or the stock market because I have a fixed income. If I had $100,000 to get my hands on, I'd change my car. My level of knowledge about investment instruments is low. It scares me a lot to invest or to have knowledge about investment tools."(Participant Ö3).

"It can also be foreign exchange-gold and stock exchange. I would like to make a certain profit when buying foreign currency and gold. If it wasn't for the religious belief factor, I would have bought different investment vehicles and taken on a higher risk." (Participant Ö6).

"I buy stocks on the stock exchange with most of the money. I buy shares with 30-40 thousand of them, and I buy precious metals such as gold and silver with the rest."(Participant Ö8).

"*Due to the fact that the TL is unstable in today's economy, I would consider keeping it in more stable areas." (such as dollars – gold) (Participant Ö15).*

"I prefer to invest in investment vehicles according to the need to achieve short-term or long-term returns. nowadays, most of them spend the winter investing in crypto assets, maybe it can be an alternative, but I can evaluate some of it by investing in mutual funds and some of it by investing in valuable mining assets."(Participant Ö17).

It has been found that reasons such as 'religious belief' and 'containing a lot of risk' come to the fore as the reason why investment in the crypto currency market is not much preferred. In addition, individuals have suggested that 'the return on the owned profession', 'the conditions of the day' and 'environmental factors' are effective in shaping investment decisions.

5. Conclusion and Discussion

Individuals who have gained a place in society use some of their income they earn for consumption and some for savings purposes. It is aimed to provide returns by converting the resources saved by individuals into investments. For this reason, it is important to decide on the right investment tools when making an investment decision. There are many elements that are effective in the investment process. In addition, the fact that there are investment alternatives makes it difficult for individuals to make rational decisions from time to time, and this leads them to face systematic mistakes. These errors cause loss avoidance in individuals and affect the perception of risk in investment decisions. Many factors such as environmental factors, profession, education received, religious belief are among the factors that affect loss avoidance and risk perception in individuals. It is an undeniable fact that the information used by investing individuals when making investment decisions is of great importance in terms of determining the sources. Therefore, the investor should both get to know himself well and analyze the investment instruments well, taking into account these factors.

In this way, it will make more accurate decisions about the possible risks and returns of investment, contribute to both the profitability of its investments and the development of the capital market and the overall economy.

In this context, the main objective of this study is to investigate the loss avoidance and risk perception of individuals trained in the field of accounting and finance and to reveal what is effective in the investment decisions taken by individuals. The result obtained from the study shows consistency with the studies of Saraç & Kahyaoğlu (2011), Bayrakdaroğlu & Kuyu (2018) and Demirci & Köse (2021) conducted earlier in the literature.

The research was carried out in the 2020-2021 academic year and a qualitative research method was used. 3 themes were created and analyzed in line with the opinions of 19 postgraduate students included in the research.

In the research, within the framework of the theme created for the reasons of loss and risk aversion, it was revealed that the inability to tolerate loss and risk and the feeling of regret when experiencing loss is an important reason. According to the participants' opinions, another important reason for avoiding loss and risk is the fear of losing and failure. The idea of not taking risks is also one of the consequences that arise.

It was wanted to investigate the factors that affect the formation of risk perception in individuals, and according to the data obtained, it turned out that the education received and the profession owned are important factors that affect the perception of risk.

When the answers to the questions posed to determine which investment instruments the students participating in the research have promoted were examined, it was determined that gold was in the first place and the crypto currency exchange was in the second place. As one of the reasons for this, it has been suggested that the belief, religious belief, profession, income ratio and crypto currency exchange have prepared an environment for arousing curiosity and interest in individuals due to the fact that they have been very popular lately.

The evaluation of gold as the first investment choice in the answers given by the participants shows that they tend to avoid losses. This conclusion obtained from the study was made earlier in the literature and stated that individuals tend to avoid losses when making investment decisions Hunguru et al. (2020) and Elhussein & Abdelgadir (2020) show consistency with their studies.

It is thought that this study will contribute to the researchers who will study the subject in the future. Within this framework, researchers who plan to conduct research can guide the studies by including individuals of different statuses in their research and using different types of analysis.

Author Contribution

CONTRIBUTION RATE	EXPLANATION	CONTRIBUTORS
Idea or Notion	From the research idea or hypothesis	Serpil SUMER
Literature Review	Review the literature required fort he study	Serpil SUMER
Research Design	Designing method, scale, and pattern fort he study	Nazan GÜNGÖR KARYAĞDI
Data Collection and Processing	Coolection, organizing, and reporting data	Serpil SUMER Nazan GÜNGÖR KARYAĞDI
Discussion and Interpretation	Taking responsibility in evaluating and finalizing the findings	Nazan GÜNGÖR KARYAĞDI

Conflict of Interest

No conflict of interest was reported by the authors.

Financial Support

The authors have not received any financial support fort this study.

References

Akın, M. (2020). Risk avoid: fear of loss.*Journal Of Law And Economic Studies (HİAD)*, *12*(1), 50-75.

Anbar, A., &Eker, M. (2012). Demographic and socioeconomic factors that affect financial risk perceptions of individual investors.*International Journal Of Management Economics And Busines,5*(9), 129-150.

Aren, S., Hamamci, H. N., & Özcan, S. (2021). Moderation effect of pleasure seeking and loss aversion in the relationship between personality traits and risky investment intention. *Kybernetes*,50(12),3305-3330.

Armansyah, R. F. (2021). Over Confidence, Mental Accounting, and Loss Aversion In Investment Decision. *Journal of Auditing, Finance, and Forensic Accounting*, 9(1), 44-53.

Bayrakdaroğlu, A., &Kuyu , E. (2018). Analysis of financial risk perceptions on ınvestment decisions of women with different demographic profiles.*Journal Of Mehmet Akif Ersoy University Economics And Administrative Sciences Faculty*, *5*(3), 705-724.

Benartzi, S., &Thaler , R. (1999). Risk aversion or myopia? choices in repeated gambles and retirement ınvestments.*Management Science,45*(3), 364-381.

Benartzi, S., &Thaler , T. (1995). Myopic loss aversion and the equity premium puzzle. *Quarterly Journal Of Economics*., *110*(1), 73-79.

Breuer, W., Riesener, M.,&Salzmann, A. (2014). Risk aversion vs. individualism: what drives risk taking in household finance?*The European Journal Of Finance*, *20*(5), 446-462.

Bulut, E., &Er, B. (2017). Corporate financial decisions in the context of behavioral corporate finance: a literature review. *International Journal Of Economics And Administrative Studies,20*, 33-50.

Büyüköztürk, Ş., Kılıç , E., Akgün , Ö., Karadeniz, Ş., &Demirel, F. (2014). *Scientific research methods*. Ankara : Pegem Publications.

Caner, A. E. (2019). *Factors Affecting Investment Decisions Of Individual Investors*.(Master Thesis).Çağ University,Istanbul.

Demirci, E., &Buran Köse, Ö. (2021). *factors affecting university students' tendency to take financial risk: empirical results of economic, financial and financial practices*Cilt 2. Ankara: Gazi Publications.

Elhussein, N. H. A., & Abdelgadir, J. N. A. (2020). Behavioral bias in ındividual ınvestment decisions: Is it a common phenomenon in stock markets. *International Journal of Financial Research*, 11(6), 25-36.

Gül, M., Ekşi, İ., &Sürme, M. (2017). To investigate of gold investors behaviours in view of behavioural finance: case of Gaziantep, *Journal Of Finance Letters*, *108*, 143-165.

Güngör, S., &Demirel , E. (2018). *Investor bias in behavioral finance*. Istanbul : Melisa Publications.

Hamurcu, Ç. (2019). Does resilience affect aversion based behavioral finance biases?*Journal Of Accounting, Finance And Auditing Studie*, *5*(1), 254-269.

Hayta, A. (2014). Psychological biases that influence the financial risk perception of individual investors. *The Journal Of Turkish Social Research*, *183*(183), 329-352.

Hunguru, P., Sibanda, V., & Tadu, R. (2020). Determinants of Investment Decisions: A Study of Individual Investors on the Zimbabwe Stock Exchange. Applied Economics and Finance, 7(5), 38-53.

Jain, N., & Kesari, B. (2021). Impact of behavioral biases in financial risk tolerance ability of mutual fund investors. *Tobacco Regulatory Science*, 7(5), 2748-2765.

K Ruyter, N. S. (1998). Positioning qualitative market research: reflections from theory and practice. qualitative market research. *International Journal*, *1*(1), 7-14.

Kahraman, E., &Türkün Kaya , B. (2018). *Determining the factors affecting the perception of financial risk, a study at Muğla Sıtkı Koçman University.*Paper presented at the IV. Internatıonal Caucasus – Central Asia Foreıgn Trade And Logıstıcs Congress September,Didim/Aydın.

Kahyaoğlu, M., Ülkü , S., &Gelmedi, O. (2011). Examination of the increase in the usage of credit cards within the frame of effect of loss avoidance as part of financialization in Turkey between the years 2002 and 2010.*The Dokuz Eylül University Faculty Of Business Journal*, *12*(1), 29-41.

Karagül, M. (2018). From rational and behavior economy to economy of values.*Journal Of Mehmet Akif Ersoy University Economics And Administrative Sciences Faculty*, *5*(2), 425-440.

Kıyılar, M., &Akkaya , M. (2020). *Behavioral finance.*İstanbul : Literatür Publications.

Korkmaz, T., &Ceylan , A. 2012. *Capital market and securities analysis*, Bursa: Ekin Publications.

Kouwenberg, R., &Ziemba, W. (2007). Incentives and risk taking in hedge funds. *Journal Of Banking And Finance*, *31*(11), 3291-3310.

Miles, M., &Huberman , M. (1994). *An expanded sourcebook qualitative data analysis.*Londra:Sage Publications.

Patton, M. (2002). *Qualitative research and evaluation methods*.Londra:Sage Publications.

Shah, I. & Malik, I., R., (2021), The impact of over confidence, loss aversion and regret aversion on investors trading frequency: empirical evidence of Pakistan Stock Exchange (January 20, 2021). *Journal of Managerial Sciences*, 15(1), Available at SSRN: https://ssrn.com/abstract=3802443

Silverman, D. (2013). *Doing qualitative research*.Londra: Sage Publications.

Saraç, M., & Kahyaoğlu, M. B. (2011). The analysis of socio-economic and demographic factors effecting the risk taking behaviour of individual investors, *BDDK Bankacılık ve Finansal Piyasalar Dergisi*, 5(2), 135-157.

Tekin, B., & Cengiz , S. (2020). Are overconfidence and loss aversion biases important factors in investment decisions. *Global Journal Of Economics And Business Studies*, *9*(14), 38-54.

Tversky, A., And Kahneman, D. (1991). Loss aversion in riskless choice: a reference-dependent model.*The Quarterly Journal Of Economics*, *106*(4), 1039-1061.

Weber, R. (1990). *Basic content analysis*.California: Sage Publications.

Yıldırım, A., &Şimşek , H. (2016). *Qualitative research methods in the social sciences*.Ankara : Seçkin Publications.

Yıldırım, H. (2017). B*ehavioral finance models based on investor behaviors*. Istanbul: Sokak Kitapları.

Resume

Serpil SUMER (Dr.), is a Dr. Research Assistant Ataturk University, Oltu Faculty of Humanities and Social Sciences, Department of Banking and Finance. She completed his PhD in Finance at Atatürk University. The author has articles, papers, and book sections in the field of Islamic finance and finance.

Nazan GÜNGÖR KARYAĞDI (Dr.), is a lecturer at Bitlis Eren University, Vocational School of Social Sciences. The author has articles, papers and book sections in the field of accounting and finance.