**The Impact of Overconfidence and Gender on Trading Activity: How Well Do Investors Assess Probability?**

**Abstract**

People unconsciously exhibit overconfident behavior in the capital market. Previous empirical research demonstrates that there is no conclusive result whether male or female investors tend to be more overconfident. The purpose of this research is to investigate whether male investors tend to be more overconfident than the female ones in the emerging capital market such as in Indonesian Capital Market. According to this experimental research design, all participants are classified into male and female participants in their respective groups of investors based on their score of overconfidence, namely less overconfident investors, and more overconfident investors. This research employs two different types of treatments consisting of the state of no available market information, and the signal of good news. The result demonstrates that male and female investors perform the same level of overconfidence when there is no available market information. Male and female investors are more likely to perform higher mean of prediction errors when they are classified as more overconfident investors. Referring to both the more and the less overconfident investors, female investors tend to be more overconfident than male investors when the market provides a signal of good news.

Keywords: gender; overconfidence; price (prediction) error