From individual to group predictions

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Abstract:

We analyse how groups make investment decisions, where members of the group have individually undertaken the same investment decision in advance. Using a structural model, we quantify the influence each group member has over the group decision. In particular, well prepared males and females with high GPA and previous experience with investments are influential. Unprepared females have, on the other hand, far less sway over the group decision. Further, we show that observed group behaviour yields significantly higher profit as opposed to any simple statistical weighting of individual decisions.