**Abstract**

This essay aims at analyzing the influence of the main cognitive biases to the enterprise investment decision making while a normative model. A broad framework is presented relating the main cognitive influences present in the pre-decision capital budgeting steps – investment proposal and evaluation – and post-decision steps – implementation and monitoring – that may affect the alignment between the ultimate investment decision and the prospects of profit maximization. Several studies have investigated the importance and the effects of heuristics and its biases to decision making in different spheres: organizational (investment, hiring personnel, etc.), entrepreneurial and individual decision-making and consumption. However, few studies address specifically how a set of biases may influence a single decision under various aspects. The main conclusions from this study are: as cognitive biases interfere in the capital budgeting process while normative model may be the major source of conflicts between the decision makers; knowledge about cognitive limitations by managers may assist in conflict management in the whole capital budgeting process, and further, investment auditing can help clarify cognitive limitations about incomplete information.

**Keywords:** capital budgeting, decision making, investment decision,heuristics, cognitive biases