

Factors That Affect Investment Decisions of Investors in capital market with investment interest as a moderating variable

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Abstract. The goal of this study is to determine the effect of Investment Knowledge, Investment Risk Perception, and Capital Market Training on Investment Decisions in the Capital Market with Investment Interest as Moderating Variables. This study employs a quantitative approach, with data collected via a questionnaire. Technical analysis of data using descriptive statistics and multiple regression analysis using moderator variables with absolute difference method. The data was processed using SPSS 26 based on the results of questionnaires from students of Economics Faculty of the University of Maritime Raja Ali Haji who had met the sample criteria. The results obtained show that partially investment and capital market training have no effect on investment decisions, but partially investment risk perception and investment interest have an effect on investment decisions. Interest does not invest in moderating the effect of investment and capital market training on investment decisions, but interest in investing is able to moderate the effect of risk perception on investment decisions.

Keywords: Investment Decision, Investment Knowledge, Investment Risk Perception, Capital Market Training, Investment interest.

1. Introduction

Investments can be made in the form of marketable securities or financial assets, as well as in real assets like gold or other valuables, land and property, or other artifacts assets in which people invest with the intention of increasing their wealth now and in the future. Funds are put into investments with the intention of earning a return. According to [1], return is an effort by investors to compare various investment alternatives and their outcomes. According to [2] return is the ratio of an investment's gains to losses or the amount invested. The return on investment of a company is typically measured over a one-year period. Investors invest money in something for the future, and when that time comes, they can expect a return based on their strategy, which could be lower or higher than expected. According to [1] capital market profits are dividends and capital gains

resulting from the difference between the selling price and when investors sell their share in the purchase price.

The fundamental portfolio Harry Markowitz model. The expected risk measure and an asset's expected rate of return serve as the foundation for this model [3]. Markowitz developed a formula for calculating a portfolio's variance and demonstrated that, under certain assumptions, the variance of the rate of return significantly reduces portfolio risk. This formula demonstrates the importance of diversifying investments in order to reduce total risk in a portfolio. The following Markowitz model, is based on a number of assumptions about investor behavior, Investors weigh each investment option presented with a probability spread of expected returns over multiple time periods [1]

It is critical to conduct a fundamental analysis before investing in a company. This will assist you in determining the company's strengths and weaknesses and determining which company shares to purchase for the long term [4]Fundamental analysis is analytical technique based on the economic fundamentals of the company, i.e. calculating the intrinsic value of the company's financial statements. Financial ratios are an important part of fundamental analysis. Fundamental analysis is all about understanding how a company's performance will be reflected in the company's stock prices[5].

According to the above assumptions, an asset or portfolio of assets is considered efficient if no other asset or portfolio of assets offers a higher return with the same (or lower) risk, or a lower risk with the same (or higher) return [1]. The number of investors in Indonesia is also increasing. As of July 2020, the number of investors registered at PT Kustodian Sentral Efek Indonesia, consisting of: stocks, mutual funds and bonds grew 22% from 2019, to around 3,020,000 investors. However, when compared to Indonesia's total population, this number is only about 1.12%. According to Samuel Sekuritas Indonesia's Vice President, Muhammad Alfatih, why the number of investors is still small is because: Lack of capital market literacy and investment culture and the existence of fraud and fraudulent investments
For this reason, it is hoped that the stock exchange authority is expected to increase literacy to the community, starting from schools, campuses, employees and staff of the public company itself (investasi.kontan.co.id).

The research location will be held on University of Maritim Raja Ali Haji, Kepulauan Riau Province. This has been supported by the MoU between the Rector University Maritim of Raja Ali Haji and the Governor of Riau Islands Province Number: 026/UN53.0/HK.01/2018 and Number: 03/MoU-KDH/KEPRI/IX/2018 dated September 15, 2018 concerning Cooperation in Education, Research and Community Service.

2. Research Methods

A questionnaire was used to collect data. Data analysis using descriptive statistics and multiple regression analysis with moderator variables using the absolute difference method [6].

Quantitative research is conducted on populations or samples. The researcher then analyzed all of the data obtained from the respondents using the data analysis technique used by the researcher. Based on results of questionnaires from students of the Economics Faculty of the University of Maritim Raja Ali Haji who met the sample criteria, the data was processed using SPSS 26.

3. Results

3.1 Validity Test And Reliability Test

The variables studied in this study were investment knowledge, risk perception, capital market training, investment decisions and investment interest. The results of the validity test show that all indicators in this study are considered valid. The Cronbach alpha test results, show that the reliability value is more than 0.70, meaning that all indicators in this study are reliable and can be used with confidence [7].

3.2 Classical Assumption Test

The results of classical hypothesis testing, which includes the normality, multicollinearity, and heteroskedasticity tests [8], indicate that the variables used in this study, such as investment knowledge, risk perception, capital market training, investment decisions, and investment interest, are not subject to classical assumption tests.

3.3 Multiple Regression Analysis

Table 1 shows the results of multiple regression analysis:

Table 1. Multiple regression analysis

Model	Unstandarized B	t	Sign.
(constant)	0,293	1,806	0,074
Investment knowledge	0,254	1,955	0,053
Risk perception	0,324	3,354	0,001
Capital market training	-0,201	-1,381	0,170
Investment interest	0,414	4,439	0,000
Investment interest x investment knowledge	-0,164	-0,906	0,367
Investment interest x risk perception	-0,263	-2,135	0,035
Investment interest x capital market training	0,081	0,453	0,652

Dependent variable : investment decision

Based on table 1, multiple regression equation are :

$$Y = 0,293 + 0,254X_1 + 0,324X_2 - 0,201X_3 + 0,414X_4 + e$$

3.4 Hypothesis testing

3.4.1 T Test or Partial Test

A partial test is used to determine how much investment knowledge, risk perception, and capital market training influence investment decisions. From Table 1 regarding the T test or partial test, the results show that:

- 1) Investment knowledge has no significant impact on investment decisions.
- 2) Risk perception influences investment decisions significantly.
- 3) Capital market education has no discernible impact on investment decisions.
- 4) Risk perception influences investment decisions significantly.

3.4.2 F Test

F test

Table 2. F test

Model		df	F	Sign.
1	Regression	7	10,738	0,000
	Residual	98		
	Total	105		

Dependent variable : investment decision

In this study shows F count (10.738) > F table (2,29). This shows that the model has good goodness of fit, because investment knowledge, risk perception, capital market training, interest in investing are simultaneously affect investment decisions. In addition, the significance level is 0,000 < 0,05, which means the effect of investment knowledge, risk perception, capital market training, and investment interest is significant. Thus, the research model is feasible to be used as a research problem solving model.

3.5 Coefficient of Determination (R²)

The calculation of the coefficient of determination can be seen in table 3 as follows:

Table 3. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
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1	0,659	0,434	0,394	0,7786
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According to Table 2, the quantification test results indicate a corrected R-squared of 0.394 or (39.4%).

As a result, the percentage contribution of independent variables' influence on the dependent variable (investment decision) can be 60.6%, or the model's change (investment knowledge, risk perception, information capital market and investment interest).

The explanation for 39.4% of the dependent variables (investment decision). Other variables not included in this research model, such as motivation, achievement, age, return, gender, technological progress, income, and so on, influence or explain the remaining 60.6%.

4. Discussion

1. The effect of investment knowledge, on investment decisions in capital market for students University of Maritim Raja Ali Haji.

Investment knowledge has no effect on investment decisions in the capital market for students at the University of Maritim Raja Ali Haji, according to the findings. Investing in the capital market necessitates qualified investment-related information in order to minimize potential errors and risks. Investment knowledge is required to help someone make decisions when investing based on their needs while also paying attention to various aspects such as the level of profit and the level of risk. Investor beliefs influence decision-making behavior in taking action as a result of information interpretation [9]. A mental discounting process occurs in investors to estimate the return of the securities they are interested in through the center of understanding information processing from cognitive such as memory, attention, perception, thinking, knowledge, and consideration.

According to Bruns [9] the way beliefs interpret information affects how we make decisions and act. Investors use a mental discounting process to estimate the return of the assets they are interested in buying through the center of understanding information processing from cognitive processes like memory, attention, perception, reasoning, knowledge, and consideration. Each investor gives different results due to differences in knowledge and beliefs [10]. The findings of this study indicate that there is no relationship between investment knowledge on investment decisions. This can occur when, despite having made investments, student investors continue to base their decisions on the counsel of others they view as investing authorities and heed this counsel at the expense of their own abilities.

2. The Effect of Investment Risk Perception on Investment Decisions in the capital market for students University of Maritim Raja Ali Haji. The results suggest that students at University of Maritim Raja Ali Haji's capital market investment choices are influenced by their perceptions of risk. A person's appraisal of unsafe situations is known as risk perception, and

it heavily depends on the person's psychological makeup and environment [11]. According to the study's findings, people who perceive risk highly experience worry and give their investing decisions a lot of thought. A person with a high risk perception will exercise caution while making financial decisions, whereas a person with a low risk perception will be bold since they have extensive investing experience. This result supports the research of Baghani and Sedaghat which states that the higher the investor in the risk perception category, the investor will be careful in making investment decisions on stock investors on the Tehran Stock Exchange [12].

3. The Effect of Capital Market Training on Investment Decisions in the capital market on students University of Maritim Raja Ali Haji. The results capital market training has no effect on investment decisions in the capital market for students of Raja Ali Haji Maritime University. According to the Theory of Planned Behavior, intentions are influenced by behavior, subjective norms, and behavioral control, and humans tend to act in accordance with those intentions and perceptions of control through specific actions [9]. This research contradicts this theory. This will motivate someone who has received capital market training to decide whether to make investments in the capital market [11]. This study found that the UMRAH investment gallery's capital market training did not provide students the confidence to choose whether or not to invest in the capital market. Students still tend to hesitate to make investment decisions.
4. The effect of investment interest on investment decisions in the capital market for students of Raja Ali Haji Maritime University. The results is investment interest affects investment decisions in the capital market for students University of Maritim Raja Ali Haji. Investment interest is a personality condition that encourages individual desires to carry out specific activities in order to achieve goals, both the process of providing encouragement that can determine the intensity, direction, and persistence of individuals in attempting to achieve goals and directly affect a person's tasks and psychology, including decision makin [13]. The significance of driving factors can serve as a trigger for someone deciding whether or not to purchase investment products. The greater the investment motivation, the greater the decision to invest. The greater the investment knowledge, the greater the investment interest in investment decisions, and thus the greater the investment decision making. The results of these findings are in line with previous research conducted by Pajar et al that investment interest can mediate investment knowledge in investment decision making [14].
5. The effect of investment interest in moderating investment knowledge on investment decisions in the capital market at Maritime University Raja Ali Haji students. The results is investment interest has no effect in moderating investment knowledge on investment decisions in the capital market for students of Maritime University Raja Ali Haji. The results of this study prove that investment interest cannot be a moderator between investment knowledge which is a background factor of information or knowledge that can influence a person's actions or behavior in making investment decisions [14]. Someone who has an interest in doing a behavior is not directly able to make investment decisions. The level of investment knowledge of students is obtained in portfolio theory and investment analysis courses and brief capital

market training.

6. The effect of investment interest in moderating risk perception on investment decisions in the capital market for students University of Maritim Raja Ali Haji. The results is investment interest has a significant effect in moderating risk perception on investment decisions in the capital market for students University of Maritim Raja Ali Haji. Risk perception is a person's assessment of risky situations; this assessment is highly dependent on the person's psychological characteristics and circumstances [15]. Risk perception is an investor's perception of the risk he will face when making investment decisions [11]. There is a high risk perception assessment, and respondents tend to be brave in making investment decisions that involve high risks, such as stocks, because investors believe that stocks with negative trading performance are not necessarily sustainable in the future. As a result, respondents are not afraid to make investment decisions despite their high risk perception.

7. The effect of..investment interest in moderating capital market.training on investment decisions in the capital market for students University of Maritim Raja Ali Haji. The results is investment interest has no effect in moderating capital market training on investment decisions in capital market in students University of Maritim Raja Ali Haji. Interest is a desire that arises from within a person after observing, seeing and comparing something that suits his needs [16]. In making individual decisions, especially in matters of hobbies or anything that makes them happy, most individuals use interest as a reference. However, in this study, investment interest does not fully influence investment decisions because a person's interest does not only arise from within. Interest can also arise due to conditions and the surrounding environment. If the environment cannot support a person to invest, then the decision will not occur. In addition, this contradicts the opinion of Tandio who state that educating the public about the capital market is important and beneficial to increase the number of fans of investing in capital market [11]. One such training is capital markets training, which is a program designed to provide information on types of investments and initial investment methods, with the goal of attracting participants to start investing, especially among students who already have basic investment knowledge. From this, it can be concluded that investment interest cannot reduce the influence of capital markets study on investment decisions among students University Maritim Raja Ali Haji.

8. the effect of Investment Knowledge, Investment Risk Perception, Capital Market Training, and Investment Interest simultaneously on Investment Decisions in capital market at University of Maritim Raja Ali Haji students. Simultaneously Investment Knowledge, Investment Risk Perception, Capital Market Training, and Investment Interest have an effect on Investment Decisions

5. Conclusion

6.

Based on the hypothesis testing, it is possible to draw the following conclusions.

- 1) investment knowledge has no effect on investment decisions in capital market for students University of Maritim Raja Ali Haji.
- 2) Risk perception influences capital market investment decisions for students University of Maritime Raja Ali Haji
- 3) capital market training has no effect on investment decisions in capital market for students of Raja Ali Haji Maritime University.
- 4) Investment interest influences capital market investment decisions for students University of Maritim Raja Ali Haji.
- 5) investment interest has no effect in moderating investment knowledge on investment decisions in capital market for students University of Maritim Raja Ali Haji.
- 6) investment interest has a significant effect in moderating risk perception on investment decisions in capital market for students University of Maritim Raja Ali Haji.
- 7) investment interest has no effect in moderating capital market training on investment decisions in capital market for students University of Maritim Raja Ali Haji.
- 8) Simultaneously Investment Knowledge, Investment Risk Perception, Capital Market Training, and Investment Interest have an effect on Investment Decisions

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