

# The Effect of Financial Literacy, Risk Tolerance, and Qanun Number 11 of Islamic Financial Institution on Interest Investment in Banda Aceh Sharia Capital Market

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**Abstract.** Aceh Province is the largest muslim population in Indonesia. However the development of sharia capital market stock is not satisfied. The number of investors in Aceh at 2019 reached 3,125 (0.06%) investors and was ranked 20th in Indonesia. In 2018, the government of Aceh Province implemented Qanun Number 11 that consist of regulation Islamic Financial Institutions. The study show that is the effect of financial literacy, risk tolerance, and the qanun number 11 on the investment interest of Banda Aceh people in sharia capital market. Sample is determined by purposive sampling method. The number of sampling are 397 respondents. The results found there are positive and significant effect of financial literacy, risk tolerance, and the qanun number 11 on the investment interest. The simultaneous relationship show significant effect on investment interest. The model explained by 62.8% variation on the investment interest of Banda Aceh people in sharia capital market. This study show that financial literacy, risk tolerance, and qanun is important factor in determining the interest investment.

**Keywords:** Financial Literacy, Risk Tolerance, Qanun Number 11, Investment Interest, Aceh.

## 1 Introduction

Starting from July 3, 1997 with the issuance of Sharia Mutual Funds by PT. Danareksa Investment Management became the beginning of the Islamic Capital Market in Indonesia. On July 3, 2000 the Indonesia Stock Exchange in cooperation with PT. Danareksa Investment Management issued the Jakarta Islamic Index. The existence of Sharia Bonds PT. Indosat Tbk in September 2002 increased sharia investment instruments in the capital market and used mudharabah contracts. In 2019 the Indonesia Stock Exchange (IDX) was awarded The Best Islamic Capital Market Award in Cape Town, South Africa. Prior to that, the Indonesia Stock Exchange (IDX) also received The Best Supporting Institution for Islamic Finance award in

2016, 2017, and 2018 [1]. In the same year in 2018, PT Bursa Efek Indonesia (IDX) received The Best Emerging Islamic Capital Market award [2]. With the achievements of the Indonesian Stock Exchange (IDX), the Islamic capital market in Indonesia has been recognized as the best Islamic capital market in the world. The Indonesian Islamic capital market is the most innovative Islamic capital market in the world. This is evidenced by the wide selection of investment and philanthropic products such as stock waqf, stock zakat, stock alms, and sukuk waqf. The Islamic capital market in Indonesia is different from other countries because it is the first country to use an online transaction system based on sharia principles (Shariah Online Trading System/SOTA). Not only that, the performance of the Islamic capital market has increased the number of stock investors with an increase of 122% per year.

The potential of the Islamic capital market in Indonesia is very large. Not necessarily because Indonesia has the largest Muslim population in the world. But it is the industry that continues to advance and develop. As evidenced by the data on September 20, 2019, the value of sharia shares reached IDR 3,834 trillion with the total number of shares reaching 435 shares [3]. Contributing 53.6% of all shares in the capital market. The net asset value of sharia mutual funds reached Rp 55.99 trillion with 266 sharia mutual funds or 10.16% of the total NAV of the mutual funds. As it is known that the province with the largest Muslim population is in the province of Aceh. According to the 2020 population census data conducted by the Central Statistics Agency (BPS), the total Muslim population in Aceh is 98.18% or 5,243,400 people [4]. Through Law Number 18 of 1965, Law Number 11 of 2006 concerning the Government of Aceh, and Law Number 23 of 2014 concerning Regional Government. So that Aceh has the right to autonomy to regulate its territory in the fields of religion, customs, and education [5].

The Governor of Aceh and the Aceh DPR have the duty and authority to plan, formulate, and implement Qanun. One of the autonomy rights carried out by the Aceh government is to regulate and carry out institutional qanuns and financial transactions in accordance with Islamic law. According to Law Number 11 of 2006, Qanun is a regional regulation or statutory regulation that regulates government administration and community life in Aceh [5]. After the enactment of Qanun Number 11 of 2018 concerning Islamic Financial Institutions, everyone who is Muslim or non-Muslim must conduct financial transactions in accordance with Islamic law [5]. Like wise with financial institutions that must own and run according to sharia principles. So that the capital market in Aceh must fully use the Islamic capital market. Looking at the opportunities that exist, Aceh should be the area with the most investors in the Islamic capital market. However, the reality is that Islamic capital market investors in Aceh are still relatively few compared to other regions. According to data from the Financial Services Authority, the number of investors for Islamic stocks in 2019 reached 3,125 investors. This can be compared with other provinces in Indonesia. Aceh province is ranked 20th in Indonesia [3].

Based on data released by the KSEI Press Release on July 31, 2017, millennials aged between 21 to 30 years occupy the top position as investors in the capital market [6]. It is proven that young people get a score of 26.24 percent. Millennials are very interested in investing in the capital market compared to other generations [6]. While the older generation, based on the 2017 Global Investor Study, have a tendency to invest in securities. It can also be said that this generation is less willing to take risks than the younger generation [6]. In 2017 also conducted a survey to 16 countries involving 18,000 respondents. Indonesia is included in that country. The results obtained are 39% of young people are willing to take risks and are interested in investing in the capital market. Of course, there are several factors that cause the lack of interest in investing in the Acehese people in the Islamic capital market. So that further research is needed regarding the lack of interest of the people of Banda Aceh to invest in the Islamic capital market. So the aim of this research is to analyze and find out whether financial literacy, risk tolerance, and the application of the LKS Qanun have an effect either simultaneously or partially on the people of Banda Aceh to invest in Islamic stocks.

## **2 Literature Review**

### **2.1 Sharia Investment**

In sharia investment is an activity that included in muamalah. The legal basis for muamalah is permissible. So investing in Islam is permissible unless there is a law or prohibition that follows it (haram). Investment is an activity carried out by people who have assets (investors) for people who own businesses [7]. Where those who have assets (investors) hope to get benefits. Through the DSN-MUI fatwa Number 80/DSN-MUI/III/2011, it regulates Islamic investment that is allowed if the investment does not violate the Shari'a as follows:

- a. Maisir, is a gambling activity where the winning party will benefit by taking the bet.
- b. Gharar, is an uncertainty related to the quality, quantity, and delivery in the contract.
- c. Riba is an addition given to the principal debt.
- d. Batil is an act that does not violate the Shari'a and is not in accordance with the provisions of its origin and nature.
- e. Bay'i ma'dum is a buying and selling process where the goods are not owned by the seller.
- f. Ihtikar is hoarding goods when the price is high with the aim of reselling it at a higher price.
- g. Taghir is a way of influencing others in transactions. Be it verbally or in action.
- h. Ghabn is an imbalance of objects to be exchanged both in terms of quality and quantity.
- i. Talaqqi al-rukban is selling goods below the market price because the seller does not know the price. It is part of ghabn.
- j. Tadlis is the seller's action that covers the notes on the object to be traded. The goal is that the buyer does not know the record of the goods.
- k. Ghishas is part of the tadlis where the seller only explains the advantages without telling the disadvantages of the goods being sold.
- l. Tanajus is the act of bidding for goods at a higher price by people who do not really want to buy the goods. This is intended to give the impression of many people who want to buy the item.
- m. Dharar is an action that can cause harm or harm to another party.

- n. Rishwah is justifying falsehood to take something that is not rightfully his.

In Aceh Province, all securities have been converted to sharia and have a sharia online trading system (SOTS). According to data from the Indonesia Stock Exchange, securities companies active in Aceh are BNI Sekuritas, Mandiri Sekuritas, MNC Sekuritas, and Phintraco Sekuritas.

## **2.2 Sharia Shares**

Based on the DSN-MUI fatwa, shares are proof of ownership of one company and do not include shares that have special rights. So a shareholder can be called someone who has proof of ownership of company assets. Shares that are categorized as sharia shares are shares of companies that have business activities, types of products or services, and how to manage them based on Islamic sharia principles that are in line with the Qur'an and hadith. There is an index that describes stocks with sharia principles.

Through the latest Bapepam LK Chairman Decree No. KEP208/BL/2012, sharia shares are divided into two.

1. Active Sharia shares, namely securities in the form of shares including Sharia Pre-emptive Rights (HMETD) and Sharia Warrants issued by Issuers or public companies stating that business activities and business management methods are carried out based on Sharia principles as stated in their articles of association.
2. Passive Sharia shares, namely securities in the form of shares including Sharia Pre-emptive Rights (HMETD) and Sharia Warrants issued by issuers or public companies that do not state that their business activities and business management are carried out based on Sharia principles.

Currently, the selection criteria for sharia shares by OJK are as follows [1]:

First, the company's business activities do not violate Islamic law.

Second, fulfill the following financial ratios:

- a. Total interest-based debt compared to total assets of not more than 45% (forty five percent).
- b. Total interest income and other non-halal income compared to total revenue and other income is not more than 10 percent.

Imam al-Gazali who stated that in a business or venture capital should not be small from debt. This is what was later quoted by the Chairman of the MUI, who said that capital must be greater than interest-based debt. This opinion was then translated into the Fatwa of the MUI DSN into: a maximum of 45% interest-based debt and 55% capital, or 82% of the ratio of interest-based debt to total capital.

## **2.3 Risk Tolerance**

Risk tolerance is an action or behavior when an individual is faced with a risk. Risk tolerance can also be interpreted as the ability of investors to accept any changes, both small and large changes in the investment value. When the value of the investment experiences a significant decline, of course, novice investors will feel panic and confusion about what to do. In the end, not a few of them even took the risk by selling shares. Though not necessarily the time period is the right time to sell shares. This will definitely cause losses. To reduce this from happening to

investors, it is hoped that investors will understand risk tolerance and be able to measure their risk tolerance. Another advantage is that investors will know which type of investment is suitable to run and avoid the risks. Three types of investor characters in investing: Conservative Type (risk averse), Moderate Type (risk moderate), and Aggressive Type (risk taker).

Risk tolerance can be measured with the following indicators:

- Placement of investment risk (high, moderate, or low), preferred investment tool model, and percentage of investment asset portfolio [8].
- Investments at high risk, Investments with debt, Tend to prioritize profit rather than safety, and Do not have the opinion that risk often leads to losses [9].

## **2.4 Financial Literacy**

Financial literacy is one of the important variables in investing. The financial literacy is a science, skill, and belief that influences human behavior as a form of improving the quality of financial management and decision making so as to achieve a prosperous life [3]. Meanwhile, based on the OECD, financial literacy can mean knowledge and exposure related to a risk, finance, and motivation. This is related to one's belief and ability to apply it in determining appropriate financial policies for financial prosperity [10]. In measuring individual financial literacy, share the following dimensions and indicators [11].

### **1. Financial Knowledge**

According to Siti Nabiha dan Siti Nazariah, to measure financial knowledge there are several aspects, namely basic financial knowledge, money management, credit and debt management, savings and debt management. investment (saving and investment), and risk management (risk management) [9].

### **2. Financial Behavior**

Based on the statement the financial behavior is measured carefully before making a purchase, accuracy in paying debts, attention to financial problems, setting long-term financial goals, preparing financial budgets, aggressive savings, selection of financial products, and use of debt [9] [11].

### **3. Financial Attitude**

According to Siti Nabiha dan Siti Nazariah, there are four aspects in measuring a person's financial attitude. That is, orientation on personal finance, debt philosophy, money security, and personal financial assessment [9].

The results of a survey conducted by the 2019 National Survey of Financial Literacy and Inclusion (SNLIK) said the level of financial literacy in Indonesia reached 34% and the level of financial inclusion reached 76.19%. The survey was conducted by OJK in 34 provinces in Indonesia and 67 regencies/cities with 12,773 respondents [3]. In 2013 OJK surveyed the level of financial literacy which was divided into 4 namely well literate, sufficient literate, less literate, and no literate. Therefore, to invest, it is necessary to have sufficient financial literacy knowledge, experience, and feelings in analyzing any stock that can generate profits for investors. When investors are more knowledgeable, the decisions taken can also be better, more efficient, and able to manage information well.

## **2.5 Qanun on Islamic Financial Institutions Number 11 of 2018**

Referring to Law No. 11 of concerning the Aceh Government Article 1, it is said that Qanun is a statutory regulation such as a provincial regulation that regulates administrators and orders as well as community life in Aceh Province. Qanun itself is compiled based on the Qur'an and Hadith. Qanun No. 11 of 2018 regulates Islamic Financial Institutions (LKS). Both those who are Muslim and non-Muslim and reside in Aceh, are obliged to participate and submit to this qanun. Contains the financial institutions in Aceh Province must use sharia principles in every activity. The Aceh government stipulates that in the next three years all financial institutions must have sharia principles since the qanun was enacted [5].

Qanun for Islamic financial institutions is formulated based on justice, trust, brotherhood, profit, transparency, independence, cooperation, convenience, openness, sustainability, and universality. In carrying out sharia financial business finance in Aceh, the Aceh government established the Aceh Sharia Council (DSA) which aims to regulate, coordinate, and supervise sharia at the Aceh Province level. With the Qanun No. 11 of 2018, financial institutions in Aceh Province are expected to be able to build the Acehese economy in accordance with Islamic law. Sengga society is guaranteed to use financial institutions that use sharia principles. Where investor profits are based on profit sharing not based on interest. The Qanun on Sharia Financial Institutions also regulates administrative sanctions in article 64 for any partner who violates this qanun, they will be subject to monetary fines, written warnings, freezing of business activities, termination of directors and/or LKS management, and revocation of business licenses.

The Qanun for Sharia Institutions has the following indicators:

1. The existence of the LKS Qanun aims to benefit the people of Aceh.
2. The establishment of the LKS Qanun is the basis for the Acehese people to invest in sharia law.
3. The implementation of the LKS Qanun guarantees that Islamic financial institutions, especially Islamic stock investments, are free from usury.

## **2.6 Investment Interest**

The tendency of a person in a particular subject and feel happy or interested in the subject and want to follow it further is what is called interest. Basically, interest is an interested relationship between oneself and something outside oneself. Interest is defined as one's own attention, liking, or inclination towards a particular area. Interest will arise which can be characterized by feelings of pleasure and interest in the object of interest. So it can be interpreted that interest is a tendency of oneself towards something so that one can feel interested and want to be involved in it.

Four indicators of buying interest, namely:

1. Transactional Interest

Transactional interest occurs when someone has a tendency to buy a product. Be it a product or investment product. It can be interpreted that investors believe in investing in sharia shares.

2. Referral Interest

As the name suggests, referential interest arises when someone has a tendency to refer a product. These products can be in the form of goods or investment products. In other

words, someone has an interest in suggesting investment products to the environment and those closest to him.

3. Preferential Interest

When a person has only a primary preference for one product, it is called preferential interest. He will have no other preferences if nothing happens to his preferences.

4. Exploratory Interest

Exploratory interest is the behavior of someone who explores to find supporting information from a product. Consumers will continue to seek information if they have an interest in the product. the information sought is information that supports the positive nature of the product.

### 2.7 Conceptual Framework and Research Hypothesis

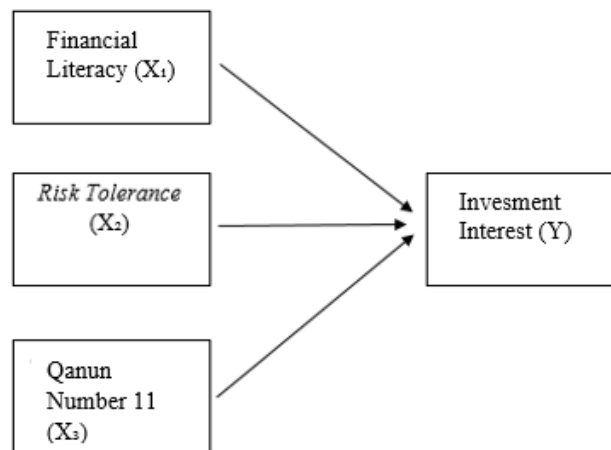


Fig. 1. Framework conceptual.

#### Hypothesis

1. H<sub>0</sub>: Financial Literacy does not have a significant positive effect on Investment Interest in Sharia Stocks.  
H<sub>1</sub>: Financial Literacy has a significant positive effect on Interest in Investing in Sharia Stocks.
2. H<sub>0</sub>: Risk Tolerance does not have a significant positive effect on Investment Interest in Sharia Stocks.  
H<sub>1</sub>: Risk Tolerance has a significant positive effect on Investment Interest in Sharia Stocks.
3. H<sub>0</sub>: Qanun Number 11 of Islamic Financial Institutions does not have a significant positive effect on Investment Interest in Sharia Stocks.

H<sub>1</sub>: The implementation of the Qanun Number 11 of Financial Institutions has a significant positive effect on Interest in Investment in Sharia Stocks.

4. H<sub>0</sub>: Financial Literacy, Risk Tolerance, and Qanun Number 11 of Islamic Financial Institutions simultaneously do not have a significant positive effect on Investment Interest in Sharia Stocks.

H<sub>1</sub>: Financial Literacy, Risk Tolerance, and Qanun Number 11 of Islamic Financial Institutions simultaneously have a significant positive effect on Investment Interest in Sharia Stocks.

### 3 Research Methodology

This research was conducted in Banda Aceh City from November 2021 – January 2022. With a quantitative approach. The type of data used in this research is primary data, namely questionnaires and secondary data, namely library research. In determining the assessment of statements in the questionnaire, researchers used a Likert scale and processed using SPSS 22. The population in this study was 70370 population. While the sampling technique used is purposive sampling. The criteria used in sampling are as follows:

1. Domiciled or domiciled in Banda Aceh
2. Aged 21 - 30 years

And the type of sampling in this study is Random Sampling. That is, samples taken at random, where sample members are easy to find. Samples were taken using the solvin formula

$$n = \frac{N}{1 + Ne^2}$$

n = Number of sample

N = Number of population 70370 responden

E = standart error 5%

$$n = \frac{70370}{1 + 70370 (0,05^2)}$$

n = 397 respondens

## 4 Results and Discussion

### 4.1 Research Results

#### 4.1.1 Respondens

Description by Gender	Responden	%
Man	170	42,7%
Women	227	57,3%
Total	397	100%
Description by Age	Responden	%



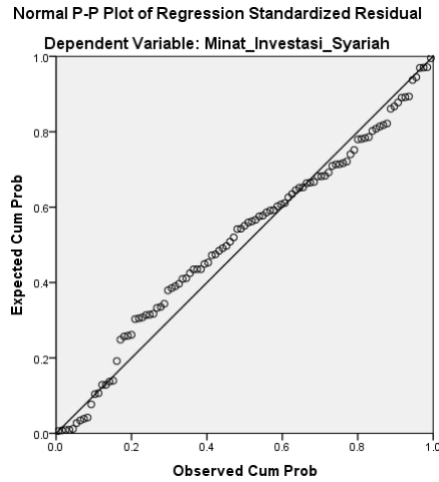
21 - 25 tahun	338	85,1%
26 - 30 tahun	59	14,9%
Total	397	100%
<b>Description by Monthly Expenses</b>	<b>Responden</b>	<b>%</b>
< Rp 1.000.000	193	48,6%
> Rp 1.000.000 - Rp 1.500.000	58	14,6%
> Rp 1.500.000 - Rp 2.000.000	35	8,8%
> Rp 2.000.000 - Rp 2.500.000	23	5,8%
> Rp 2.500.000 - Rp 3.000.000	23	5,8%
> Rp 3.000.000 - Rp 3.500.000	19	4,8%
> Rp 3.500.000	46	11,6%
Total	397	100%
<b>Description by District</b>	<b>Responden</b>	<b>%</b>
Kecamatan Meuraxa	30	7,9%
Kecamatan Jaya Baru	41	10,8%
Kecamatan Banda Raya	18	4,7%
Kecamatan Baiturrahman	92	24,3%
Kecamatan Lueng Bata	29	7,7%
Kecamatan Kuta Alam	37	9,8%
Kecamatan Kuta Raja	22	5,8%
Kecamatan Syiah Kuala	70	18,5%
Kecamatan Ulee Kareng	18	4,7%
Kecamatan Banda Baru	22	5,8%
Total	379	100%

**Table 1.** Respondens.

#### 4.1.2 Classical Assumption Test

##### 1. Normality Test

In this study, the normality of the data was tested using the P-Plot by looking at the point values. If the points are on a straight line the data is normally distributed.



**Fig. 2.** P-Plot graph.

Not just a P-Plot graph, normality testing is also carried out using the Komogorov-Smirnov test, namely by looking at the significance value. The significance value is above 0.05, which is 0.069. This means that the data is normally distributed.

**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		103
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.42649651
	Most Extreme Differences	
	Absolute	.096
	Positive	.058
	Negative	-.096
Test Statistic		.096
Asymp. Sig. (2-tailed)		.069 <sup>c</sup>

**Table 2.** Normality test.

2. Multicollinearity Test

Multicollinearity can be assessed if the tolerance value is  $> 0.05$  and the Variance Inflation Factor (VIF)  $< 10.00$ . In the results obtained, the overall value of VIF  $< 10.00$ . Then the independent variables Financial Literacy (X1), Risk Tolerance (X2), and Application of Qanun LKS (X3) are not linearly correlated.

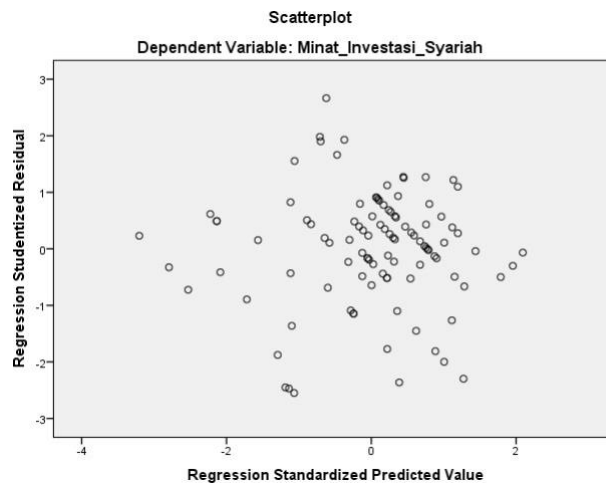
**Coefficients<sup>a</sup>**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Financial Literacy	.450	2.222
Risk Tolerance	.590	1.695
Qanun No. 11 of Islamic Financial Institutions	.696	1.438

a. Dependent Variable: Investment Interest

**Table 3.** Multicollinearity test.

3. Heteroscedasticity Test



**Fig. 3.** Heteroscedasticity test graph.

In the graph above, the points spread randomly (not forming a pattern) both above zero and below 0 on the Y axis. So it can be concluded that there are no symptoms of heteroscedasticity in the regression model. It is also known as homoscedasticity.

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.478	.819		3.025	.003
Financial Literacy	.016	.021	.109	.785	.434
Risk Tolerance	.134	.038	.432	3.561	.213
Qanun No. 11 of Islamic Financial Institutions	.069	.063	.123	1.098	.275

a. Dependent Variable: ABS\_RES

**Table 4.** Heteroscedasticity test.

The results of the table calculations can be concluded that the P value for each variable is more than alpha, i.e. 0.05, which means the variance of the homoscedasticity error. So it can be concluded that the regression model in this study does not occur heteroscedasticity. So that the regression model can be used.

#### 4.1.3 Instrument Test

##### 1. Validity Test

Because  $r$  count  $>$   $r$  table, so the questionnaire can be said to be valid. This means that this test produces data that is relevant to the research objectives. These results can be seen in the table below.

Variabel	Item	r-hitung	r-tabel	Keterangan
Financial Literacy (X <sub>1</sub> )	X1.1	0.671	0.163	Valid
	X1.2	0.715	0.163	Valid
	X1.3	0.765	0.163	Valid
	X1.4	0.775	0.163	Valid
	X1.5	0.685	0.163	Valid
	X1.6	0.635	0.163	Valid
	X1.7	0.743	0.163	Valid
	X1.8	0.640	0.163	Valid
	X1.9	0.675	0.163	Valid
	X1.10	0.742	0.163	Valid
	X1.11	0.690	0.163	Valid
	X1.12	0.630	0.163	Valid
	X1.13	0.612	0.163	Valid
	X1.14	0.697	0.163	Valid
	X1.15	0.770	0.163	Valid
Risk Tolerance (X <sub>2</sub> )	X2.1	0.734	0.163	Valid
	X2.2	0.815	0.163	Valid
	X2.3	0.854	0.163	Valid
	X2.4	0.719	0.163	Valid
	X2.5	0.689	0.163	Valid
	X2.6	0.648	0.163	Valid
Qanun No. 11 of Islamic Financial Institutions (X <sub>3</sub> )	X3.1	0.906	0.163	Valid
	X3.2	0.953	0.163	Valid
	X3.3	0.938	0.163	Valid
Investment Interest (Y)	Y.1	0.827	0.163	Valid
	Y.2	0.887	0.163	Valid
	Y.3	0.882	0.163	Valid
	Y.4	0.832	0.163	Valid

**Table 5.** Validity test.

## 2. Reliability Test

Variabel	Cronbach's Alpha	Keterangan
Financial Literacy	0.921	Reliabel
<i>Risk Tolerance</i>	0.838	Reliabel
Qanun No. 11 of Financial Islamic Institutions	0.924	Reliabel
Investment Interest	0.880	Reliabel

**Table 6.** Reliability test.

### 4.1.4 Multiple Regression Analysis

$$\hat{Y} = -2.278 + 0.070 X_1 + 0.262 X_2 + 0.646 X_3$$

Variable	Koefisien Estimate	Beta	t	Sig.	Description
Investment Interest (Y)	-2.278		-1.701	0.092	
Financial Literacy (X <sub>1</sub> )	0.070	0.187	2.050	0.043	Positive Significant
<i>Risk Tolerance</i> (X <sub>2</sub> )	0.262	0.339	4.247	0.000	Positive Significant
Qanun No. 11 (X <sub>3</sub> )	0.646	0.463	6.298	0.000	Positive Significant
count	55.650				
Adjusted R <sup>2</sup>	6.28				

**Table 7.** Multiple regression analysis.

#### 1. t test (Partial Test)

##### Partially Analysis

Variabel	t count	t table	Prob. Sig		Description
Financial Literacy (X <sub>1</sub> )	2.050	1.660	0.043	0.05	Positive Significant
<i>Risk Tolerance</i> (X <sub>2</sub> )	4.247	1.660	0.000	0.05	Positive Significant
Qanun No. 11 (X <sub>3</sub> )	6.298	1.660	0.000	0.05	Positive Significant

**Table 8.** t test (Partial Analysis).

Because t count > t table and significant probability P-value < 5%, H<sub>0</sub> is rejected and accepted H<sub>1</sub>. So partially the variables of Financial Literacy (X<sub>1</sub>), Risk Tolerance (X<sub>2</sub>), and the Qanun

Number 11 of Islamic Financial Institutions ( $X_3$ ) have a significant effect on Sharia Investment Interest (Y) in the community in Banda Aceh City.

2. Test F (Test Simultaneously or together)

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1012.776	3	337.592	55.650	.000 <sup>b</sup>
	Residual	600.564	99	6.066		
	Total	1613.340	102			

**Table 9.** F Test (Simultaneous Test).

It is known that  $F_{table}$  has a value of 2.14 and  $F_{count}$  55.650. Because  $F_{count} > F_{table}$ ,  $H_0$  is rejected and  $H_1$  is accepted so that the variables of financial literacy ( $X_1$ ), risk tolerance ( $X_2$ ), and the qanun number 11 of Islamic financial institutions ( $X_3$ ) simultaneously have a significant effect on Islamic investment interest (Y) in the community in Banda Aceh City. By looking at the probability of significance, the P-value of 0.000 or 0% is smaller than 5%.

3. Coefficient of Determination

**Model Summary<sup>b</sup>**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.792 <sup>a</sup>	.628	.616	2.463

**Table 10.** Adjusted Rsquare.

The value of R square, which is 0.628, shows that 62.8% of the diversity of data on Islamic investment interest is influenced by financial literacy, risk tolerance, and the qanun number 11 of Islamic financial institutions. While the other 37.2% were influenced by other factors that were not included in the research model.

**4.2 Discussion**

**4.2.1 The Effect of Financial Literacy ( $X_1$ ) on Interest in Sharia Stock Investment (Y)**

The results of data processing using SPSS 22, financial literacy variable has a regression coefficient of 0.070, t count 2.050, t table 1.660, and the significance of the P-value is 0.043. This means that financial literacy has a significant effect on the interest in Islamic stock investment variables. The beta results obtained from the regression coefficient analysis on the financial literacy variable are 0.070. This figure means that with an increase in financial literacy by one unit, the interest in investing in sharia shares in the people of Banda Aceh City will also increase by 0.070. In other words, the better the financial literacy of the people of Banda Aceh

City or the more positive the financial literacy will result in a positive influence on increasing interest in sharia stock investment in Banda Aceh City. Indications of the increase are based on:

Financial literacy itself has four levels. There are well literate, sufficient literate, less literate, and no literate. Based on these four levels, the higher a person's literacy level, the better the understanding and knowledge of finance. Starting from financial products, financial services, and financial institutions. This will affect interest and decision making to invest.

When a person does not have good financial literacy, he will not be interested in investing. Let alone to invest, people who are at this level also do not know about the products and services of financial institutions. As for people who have low literacy levels, they only know about the products and services of financial institutions. Usually, people like this are easily fooled by fraudulent investments. They do not have sufficient financial knowledge, just the lure of big profits. Of course, this is very dangerous and can have a bad impact on the person. Instead of making a profit, it will lead to a loss. People with a good level of financial literacy are definitely better at making decisions to invest. They get more information so that the investments they choose are not arbitrary and seem careless.

#### **4.2.2 Risk Tolerance ( $X_2$ ) to Investment Interest in Sharia Stocks (Y)**

The results of data processing using SPSS 22, the risk tolerance variable has a regression coefficient of 0.262, t count 4.247, t table 1.660, and the significance of the P-value is 0.000. This means that risk tolerance has a significant effect on the variable interest in Islamic stock investment (Y). The beta results obtained from the regression coefficient analysis on the risk tolerance variable are 0.262. This figure means that the ability to understand risk tolerance is increased by one unit, then the interest in sharia stock investment in the people of Banda Aceh City will also increase by 0.262. In other words, the better the ability to understand risk tolerance will result in a positive influence or increase interest in sharia stock investment in Banda Aceh City. Indications of the increase are based on:

Risk tolerance has three levels, namely risk averter, risk neutral, and risk seeker. When someone has low risk tolerance, that person will not take investments with big risks. In the fourth question item of the questionnaire, 30% of respondents strongly disagreed with investing in debt. Because when you invest using debt, it makes the risk even bigger. There are also 20% of respondents who strongly agree with the first question item. That is investing by considering high, moderate, and low risk levels. The results of the questionnaire prove that the people of Banda Aceh are very considerate of risk in investing so that they are reluctant to go into debt when making investments.

#### **4.2.3 Qanun on Islamic Financial Institutions ( $X_3$ )**

The results of data processing using SPSS 22, the qanun variable of Islamic financial institutions has a regression coefficient of 0.646, t count 6.298, t table 1.660, and the significance of the P-value is 0.000. This means that the qanun of Islamic financial institutions has a significant effect on the variable of interest in Islamic stock investment (Y). The beta results obtained from the regression coefficient analysis on the qanun variable of Islamic financial institutions are 0.646. This figure means that the higher the knowledge of the qanun of Islamic financial institutions by one unit, the interest in investing in sharia shares in the people of Banda Aceh City will also increase by 0.646. In other words, a better understanding of the qanun of Islamic financial institutions will have a positive effect or increase interest in Islamic stock investment in Banda Aceh City. Indications of the increase are based on:

1. The existence of the LKS Qanun aims to benefit the people of Aceh.
2. The establishment of the LKS Qanun is the basis for the Acehnese people to invest in sharia law.
3. The implementation of the LKS Qanun guarantees that Islamic financial institutions, especially Islamic stock investments, are free from usury, maisir, and gharar.

About 40% of respondents agree with the first, second, and third question items. Namely, the people of Banda Aceh believe that the qanun is for the benefit of the community. Due to the qanun, the people of Banda Aceh agreed and were interested in investing in sharia shares. They assume that the qanun of Islamic financial institutions can protect investors and is free from usury, gharar (unclearness), and maisir (gambling).

Basically, the sharia concept forbids usury or interest. In sharia, profits are obtained based on profit sharing. Any law that exists in Aceh is always based on the Koran and Hadith. With the aim that the people of Aceh can be protected. The Acehnese themselves do not object at all to this rule. Both Muslim and non-Muslim. For now, the qanun for Islamic financial institutions has been effective in the financial sector. Where all banking, investment, insurance, and pawnshop activities in Aceh have become sharia. For the capital market sector itself, all securities and asset management companies operating in Aceh Province have been converted to sharia. Where the securities also have a sharia online trading system (SOTS). There are no more conventional financial institutions in Aceh. If the people of Aceh still want to use conventional financial institutions, they can open accounts and make transactions outside the Aceh Province. However, financial applications that are not based on sharia can still be downloaded and used by the people of Aceh.

## 5 Conclusion and Recommendation

### 5.1 Conclusion

1. Simultaneously, it is known that  $F_{table}$  has a value of 2.14 and  $F_{count}$  55.650. Because  $F_{count} > F_{table}$  and the significance value is less than alpha  $0.0 < 0.05$ , then  $H_0$  is rejected and  $H_1$  is accepted so that the variables of financial literacy ( $X_1$ ), risk tolerance ( $X_2$ ), and qanun of Islamic financial institutions ( $X_3$ ) simultaneously have a significant effect on investment interest. sharia ( $Y$ ) in the community in Banda Aceh City.
2. Partially, the financial literacy variable ( $X_1$ ) has a t-table value of 1.660 and a t-count of 2.050. Because  $t_{count} > t_{table}$  and  $p_{value} (0.043) < alpha (0.05)$  then the Financial Literacy variable ( $X_1$ ) has a significant effect on Sharia Investment Interest ( $Y$ ) in the community in Banda Aceh City. It means that  $H_0$  is rejected and  $H_1$  is accepted. The better a person's financial literacy will also affect interest and decisions in investing.
3. Partially, the risk tolerance variable ( $X_2$ ) has a t-table value of 1.660 and a t-count of 4.247. Because  $t_{count} > t_{table}$  and  $p_{value} (0.00) < alpha (0.05)$  then the variable Risk Tolerance ( $X_2$ ) has a significant effect on Sharia Investment Interest ( $Y$ ) in the community in Banda Aceh City. It means that  $H_0$  is rejected and  $H_1$  is accepted. When someone has a low tolerance for risk, then that person will not take high-risk investments. Vice versa.
4. Partially, the qanun variable for Islamic financial institutions ( $X_3$ ) has a t-table value of 1.660 and a t-count of 6298. Because  $t_{count} > t_{table}$  and  $p_{value} (0.00) < alpha$



(0.05) then the variable Qanun Islamic Financial Institutions ( $X_3$ ) has a significant effect on Sharia Investment Interest (Y) in the community in Banda Aceh City. It means that  $H_0$  is rejected and  $H_1$  is accepted. The people of Banda Aceh consider that the qanun was drafted based on Islamic law. With the aim of protecting the people.

## **5.2 Recommendation**

1. Due to time constraints, the sample taken is only the age group 21-30 years. Future researchers are expected to be able to examine other age groups so that the research results are more accurate. The variables used by the researchers are to be more varied what can affect the interest of the community to invest in Islamic stocks. There is no research related to the Qanun of Islamic Financial Institutions on Islamic stocks. So that further research is needed regarding this matter.
2. For investors who are interested in investing in order to improve financial literacy before investing and can consider risks before investing.
3. For academics, it is hoped that the research results can support learning and become a reference related to financial literacy, risk tolerance, qanun for Islamic financial institutions, and interest in sharia stock investment.

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