IAR Journal of Business Management
ISSN Print: 2708-5139 | **ISSN Online:** 2708-5147
Frequency: Bi-Monthly
Language: English
Origin: Kenya
Website: https://www.iarconsortium.org/journal-info/IARJBM

OPEN ACCESS JOURNALS

Research Article

Influence Of Knowledge And Understanding Investment, Investment Minimum Capital, Risk And Investment Motivation To Wards Investingstudentsin The Capital Market

Article History
Received: 03.01.2021
Revision: 14. 01.2021
Accepted: 31. 01.2021
Published: 10. 02.2021

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How to Cite the Article:
Dalilah Siagian Mistari E. Tambunan & Iskandar Muda**.** (2021). Influence Of Knowledge And Understanding Investment, Investment Minimum Capital, Risk And Investment Motivation To Wards Investingstudentsin The Capital Market**.** *IAR J Bus Mng*; 2021; 2(1): 127-130.

Abstract: This study aims to determine the effect of investment knowledge and understanding, minimum investment capital, risk and investment motivation on student interest in investing in the capital market. This research was conducted using descriptive studies in journals, theses and research theses. This type of research is a qualitative descriptive study, the results of which are in the form of a researcher's interpretation of a phenomenon, from the results of previous studies so that the research report will contain more descriptions. The results of this study indicate that knowledge and understanding of investment have an effect on student interest in investing in the capital market and minimum investment capital has no effect on student interest in investing in the capital market and investment risks and motivation have no effect on student interest in investing in the capital market.

Keywords: Knowledge and understanding of investment, minimum investment capital, investment risk and motivation, student interest, capital market.

INTRODUCTION

Nowadays, investing is no longer known only among adults, investment can also be done by anyone, including students, long-term investing from an early age is important to do especially to welcome old age. The advantages of investing since students can prosper financially, meaning that they are free in financial matters and help their future lives without having to work harder. Second, the benefits of investing also help in managing financial planning from an early age, investing early on can also help learn long-term business and planning long-term. Investment is not a short-term savings, so it requires careful economic planning, so that it can generate profits in the future. One form of investment is financial investment. Financial investment is a form of investment in securities in the form of a written contract, both long and short term, to obtain capital gains, dividends and interest. There are various forms of financial investment instruments such as stocks, mutual funds, forex (foreign exchange) or foreign currency exchange, bonds, gold and so on. Each investment instrument has different characteristics so that the strategies used by investors in each investment instrument are also different.

Everything that is done by humans is always based on a certain motivation and interest, including when making decisions to invest. One of the things that can trigger someone's interest in investing is the ease in making the investment itself, both in terms of access to information and the costs to get started. This convenience is a crucial factor for a beginner investor, in this case, students. Along with the development of information technology, nowadays many securities companies have started to reduce their minimum deposits for novice investors because buying and selling transactions of shares in the capital market can be done online so that they are easier and the costs incurred can be reduced than before using conventional methods. The securities company has started trying to provide promotional programs to make it easier for the public to invest, especially for potential future investors, namely students. Most of the students are of course not as well as senior investors. Especially for those who have not worked, they usually only rely on monthly allowances. Given this situation, and the good prospects for an increase in the number of investors who may grow, securities companies provide an investment promotion that is quite attractive to students. This is expected to be able to spark investor interest, especially students, to participate in investing. In addition, investment knowledge, risk preferences and initial investment capital also affect investors' interest and motivation in deciding whether to invest or not. Prospective investors who have worked (have income) will find it easier to decide to invest than those who are not already working. It is believed that this can happen because the higher the income, the higher the expenses. So, if previously someone did not or had not thought about investing or not because they did not have income, or their income was still low, then after they had an income or their income was sufficient, logically, he will be more confident to make expenses, one of which is an investment. Risk is usually a factor that prevents a person from acting. Every investor has a different tolerance level for risk. There are investors who are afraid of risk (risk averse), and who dare to take risks (risk taker). This factor is thought to be able to influence investment interest.

LITERATURE REVIEW

Investments

The definition of investment according to the Big Indonesian Dictionary (KBBI) is investment of money or capital in a company or project for the purpose of making a profit, while according to Husnan (2005) an investment project is a plan to invest resources, both giant projects and small projects to gain benefits. In the future, Van Horne (2009) states that investment is an activity carried out by utilizing cash in the present, with the aim of producing goods in the future. Investment is also a sacrifice made today in order to expect future benefits (Halim, 2005). According to Todaro (2000) investment is a resource that will be used to increase income and consumption in the future. Then, according to Suparmoko and Maria (2000), investment is expenditure aimed at increasing or maintaining capital stock, which consists of factories, office machines, and other durable goods used in the production process. Based on these definitions, it can be concluded that investment is the use of current money or cash to be invested in certain goods or in a company for the purpose of obtaining future profits. C. Stock According to Husnan (2005) securities are a piece of paper showing the rights of investors (i.e. the party who owns the paper) to acquire a share of the prospects or assets of the organization that issued the securities and the various conditions that enable the investor to exercise his rights. In addition, Samsul (2006) states that shares are proof of owning a company in which the owner is also a shareholder (shareholder or stockholder). Shares or securities are securities, namely debt instruments, commercial securities, bond shares, debt evidence, and collective investment contract units. Included in the definition of effects are futures contracts and any other derivatives of securities. The following are the types of shares circulating in stock markets around the world.

Common Stock

Ordinary shares are shares that give rights to the holder, in the form of control rights and the right to receive profit sharing. The right of control is the right of ordinary shareholders to elect the company leadership (Jogiyanto, 2010), while the right to receive profit sharing is the right of ordinary shareholders to get a share of the company's profits (Jogiyanto, 2010).

Preferred Stock

Preferred stock is a stock that has a combination of bonds and common stock, which pays interest on loans and provides a fixed yield in the form of preferred dividends. Preferred shareholder claims when liquidation occurs are below bond claim holders (Jogiyanto, 2010)

Interests

According to Stiggins (2004) interest is a dimension in the affective aspect that has a major role in a person's life. The affective aspect is an aspect that identifies the dimensions of feelings in emotions, dispositions, and wills that affect one's thoughts and actions. This affective dimension includes three things, namely:

1. Relating to feelings about different objects;
2. These feelings have a direction starting from the neutral point to the opposite point, not positive and not negative;
3. Various feelings that have different intensities, from weak, moderate, to strong. Aiken (2014) states that interest is a preference for an activity, more than any other activity, which means that interest is related to values that make a person have choices in life. According to Salim and Salim (2016) interest is a tendency towards a high heart towards passion and desire. Based on these three definitions, it can be concluded that interest is one of the dimensions in the affective aspect that causes a person to have a liking for an activity, more than other activities, with different intensities, from weak, moderate, to strong.

Knowledge

Knowledge is the result of human knowledge of something or all human actions to understand an object it faces, the result of human efforts to understand a particular object.

Based on the pattern, knowledge can be divided into three (Keraf, 2001: 33), namely;

1. Know that this type of knowledge is also called theoretical knowledge, scientific knowledge even though it is still at a level that is not very deep. "Knowledge That" is knowledge of certain information, knowing that something happened, knowing that this or that is the case, knowing that what it says is true. This knowledge is related to the success in collecting certain data. So, the power of this knowledge is the data it has. Someone who has this type of knowledge has accurate data.
2. Know How This type of knowledge involves how to do something known as know-how. This knowledge relates to skills or more precisely technical expertise and proficiency in doing something. A person who has this type of knowledge indicates that he knows how to do something and is related to practice so it is also called practical knowledge.
3. Know Will / About This knowledge is often referred to as knowledge based on recognition, with the most important element being direct personal experience. Know personally and can also be referred to as direct personal knowledge.

Risk Preference

Risk preference is an individual's tendency to choose risky options (Probo, 2011). It can also be interpreted that risk preference is the attitude of a decision maker or investor to a risk. Judging from the willingness to bear investment risk, according to

Sembel and Sembel (2007) investors can be categorized into three types, namely:

1. Risk Taker The type of investor who dares to take risks is called a risk lover or risk seeker. This type of investor is an investor who is willing to take risks. Widoatmojo in Putra (2011) revealed that investors with high risk preferences really enjoy risk. Some investors with the risk taker type usually face high risks in their work environment.
2. Risk Averse: The type of investor who is afraid or reluctant to take on the risk is called a risk averter or risk aversion. Investors who fall into the low risk preference category tend to use a conservative investment approach or prioritize safety (Sembel in Putra, 2011). Investors who are of the risk averse type tend to choose investments with a low level of risk, such as: savings deposits, unit links and government bonds.
3. Moderate Risk This type of investor is only brave enough to bear the risk that is proportional to the return that will be obtained or called moderate risk or moderate investor The greater the risk faced, the higher the expected return, the smaller it is risk for an investment, the smaller the expected return or known as high risk-high return, low risk-low return. Moderate type investors will carefully consider the type of instrument they will have and limit the amount of funds they will invest in risky instruments to a certain portion. Investors with moderate preferences choose investment types that have relatively low risk, such as: government bonds, leading stocks, mixed mutual funds.

METHOD

This research is classified as a qualitative descriptive study using library research methods. Literature study is a series of activities relating to methods of collecting library data, reading and recording research materials, so the materials used by researchers are sourced from books, jurals, official research reports and other scientific literature that support the theme of this research.

RESULT AND DISCUSSION

Result

This research was conducted to determine whether there is an effect of investment knowledge and understanding, minimum investment capital, risk and investment motivation on interest students invest in the capital market. The data analysis technique is to collect several results from previous studies so as to produce different conclusions. Based on the comparison of several journals, the following results are obtained:

1. The influence of investment knowledge and understanding on students' interest in investing in the capital market.

Based on the results of comparisons between one journal and another, it shows that knowledge and understanding of investment affects students' interest in investing in the capital market. This is in line with research conducted by Merawati (2015) which successfully showed that investment knowledge has a significant positive effect on student investment interest.

2. The effect of minimum investment capital on student interest in investing in the capital market

The results of the comparison test between one journal and another show that the minimum investment capital has no effect on students' interest in investing in the capital market. This is supported by research conducted by Raditya (2014) which states that the minimum investment capital variable has no effect on changes in investment interest. Financial decision making for investment activities is not influenced by the amount of minimum investment capital, because investors do not place great importance on minimum investment capital. This is different from the results of research conducted by Riyadi (2016) which states that the minimum investment capital variable has an influence on the investment intensity of students in the capital market. Research by Nagy and Robert (1994) suggests that nowadays investors no longer only consider common factors before investing (such as stock price trends), but are starting to consider other factors. In addition, Christanti and Linda Ariany (2011) found that investors think about many factors before investing, meaning that investors in this case no longer fully consider that minimum investment capital is an important consideration before deciding on an investment.

3 The effect of risk and investment motivation on student interest in investing in the capital market.

The results of the consideration test between one journal and another show that the effect of risk and investment motivation on students' interest in investing in the capital market has no effect. This is supported by research from Tandio and Widana Putra (2016) who found that risk did not significantly affect investment interest, it was also explained in the study that they had ignored risk factors as a consideration for investing in the capital market. This does not support the results of Rditya's (2014) research which shows that risk variables have an effect on asking for investment.

DISCUSSION

Knowledge and understanding of investment towards students' interest in investing in the capital market shows significant results. This is supported by research conducted by Tandio and Widanaputra (2016) which states that, the higher one understands of investing in the capital market, the higher the interest. someone to invest in stocks in the capital market and trusted knowledge will add to understanding.

Adequate knowledge is needed when investing in such as in stock investment instruments, things that are very important to know are how to examine the performance of the company to be purchased by analyzing financial statements. company a few years earlier. Investment knowledge is also very necessary to avoid losses when investing in the capital market in an effort to get the maximum return on the investment made.

On the other hand, this researcher is also in accordance with the theory planed of behavior, especially the third variable or construct in this theory, namely perceived behavior control. Investors who have investment knowledge will be more confident so that self-confidence will increase and will also increase interest in investing. This self-confidence is able to control behavior in investing so that the higher the knowledge one has, the higher the interest in investing in the capital market.

Minimum investment capital on students' interest in investing in the capital market does not have a significant effect because there are many other factors that make students more critical in investing, let alone investing in stocks.

Investment risk and motivation on students' interest in investing in the capital market show no significant effect. Investors usually automatically choose which one suits their personality because in investing, there is a term high risk - high return where if the return is high in an investment, the investor's risk is a risk taker or risk seeker who dares to take risks. The second investor risk profile is moderate type, namely investors who are still willing to invest with risk but prefer to invest in investment instruments with minimal risk so that what they get is in accordance with the risks taken by the investor. The last investor's risk profile is the conservative type, this type is inversely proportional to the risk taker type, which is feeling uncomfortable with risks so that as much as possible this type of investor will avoid major risks.

Investors will reconsider their knowledge, because with sufficient understanding of investment knowledge, they will have high self-confidence, which will affect control of investing behavior. This belief makes investors not really consider risk factors as an important consideration in investing in stocks in the capital market.

CONCLUSIONS

A. *Conclusion*

Based on the data analysis that has been done, the overall conclusions of this study are as follows:

1. Knowledge and understanding of investment affects students' interest in investing in the capital market
2. Minimum investment capital does not affect student interest in investing in the capital market
3. Investment risk and motivation do not affect students' interest in investing in the capital market

B. Suggestions

1. For further researchers, it is expected to differentiate between student respondents who have become stock investors in the capital market or students who have never been investors
2. Future researchers who wish to test their interest in investing are expected to collect more data as research references.

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