PELITA
INTERNATIONAL PUBLISHING

RESEARCH ARTICLE

Determinants of investment intention among university students in the capital market: A case study

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ABSTRACT

In line with efforts to continue to increase capital market knowledge for millennials, the Indonesia Stock Exchange (IDX) Aceh Representative inaugurated the Investment Gallery at the Faculty of Economics of Universitas Samudra. The purpose of this study was to determine and analyze the effect of investment gallery activities, investment knowledge, financial literacy, and risk preferences on interest in stock investment among students. The population in this study was students, with a sample of 144 respondents. Sampling used the purposive sampling method, and the number of samples was based on the Slovin formula. Data collection used a questionnaire, and then data editing was carried out. Data analysis technique using SPSS software to obtain a model that will explain the relationship between variables to explain investment interest. The results of this study are that investment knowledge and financial literacy variables do not have a significant influence on interest in investing in stocks. Meanwhile, the risk preference variable has a significant effect on student interest in investing in stocks.

1. Introduction

The capital market is one of the important components in today's world economy. Many companies utilize the capital market as a medium to absorb investment as an effort to strengthen their financial condition.   The capital market acts as a link between investors (financiers) and companies or government institutions through trading financial instruments (Puspitaningtyas, 2013). There are several factors considered by the public to invest, namely factors of trust, knowledge, profit (return), price perception, risk, motivation, minimum capital, technology and information (Nur, 2018). That based on consideration, Government Regulation Number 45 of 1995 concerning the Implementation of Activities in the Field of Capital Markets as amended by Government

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Regulation Number 12 of 2004, namely Amendments to Government Regulation Number 45 of 1995 concerning the Implementation of Activities in the Field of Capital Markets is no longer in accordance with legal developments so that it needs to be revoked, except for provisions regarding foreign capital ownership in securities companies in accordance with the provisions of Article 30 paragraph (4) of Law Number 8 of 1995 concerning Markets.

In line with efforts to continue to improve capital market knowledge for millennials. The Indonesia Stock Exchange (IDX) Aceh representative inaugurated an investment gallery at the Faculty of Economics, Universitas Samudra. Head of IDX Aceh, Thasrif Murhadi, said that this Gallery is a collaboration between the Indonesia Stock Exchange (IDX) and PT Phintraco Sekuritas which is currently the 11th Campus IDX Investment Gallery inaugurated in Aceh Province. by establishing a Sharia Investment Gallery which aims to become one of the educational institutions that play a role in producing superior human resources, and also to strengthen cooperation between universities both with the business world and the industrial world.

Then the Head of the Investment Gallery of the Faculty of Economics, Universitas Samudra, Muhammad Salman said that the purpose of establishing an investment gallery for academics is education for understanding and the extent to which students are able to practice the theories learned in lectures and support research activities and funds obtained by customers in this Investment Gallery supported by Pt. Phintraco every time they open an account with the aim of being the initial capital in learning investment, including buying shares, choosing to sort out significant shares for the future to benefit from the investment that has been carried out. Building student interest in investing requires preliminary steps that encourage the emergence of this interest. Based on observations, investment growth at the Samudra University Investment Gallery is still relatively low, even though students of the Faculty of Economics at Samudra University already have sufficient knowledge about the capital market.

In this writing, it is universal, not only between the community and students, but the author prioritizes students, especially the Faculty of Economics, Universitas Samudra as the object of research because they are very close and can be directly involved in the FE UNSAM Investment Gallery. with the contribution of students who act as investors through capital market instruments, it makes common hope in contributing to the national economy, because investment is one of the development instruments needed by a country in order to improve people's welfare.

2. Literature review

2.1. Social cognitive theory

Social Cognitive Theory is a theory developed by Albert Bandura in 1986. This theory is based on the proposition that both social processes and cognitive processes are central to understanding human motivation, emotions, and actions and play an important role in learning (Alwisol, 2010). Cognitive processes are not only thinking activities that give influence to find something. *Social Cognitive Theory* is an extended theory of *behaviorism* that emphasizes the importance of behavior, environment, and cognition as key factors in development. This theory views a person's development as influenced by behavior, environment, and cognition as well as by observing the behavior of others. Bandura's latest model of learning and development includes behavior, person and environment that interactively influence cognition and vice versa.

2.2. Investment knowledge

Basic knowledge about investment is the main thing for prospective investors to know. It is intended that investors avoid irrational investment practices (gambling), follow-the-follow culture, fraud, and the risk of loss when investing in the capital market, such as in stock investment instruments. It takes sufficient knowledge, experience and business sense to analyze which investments will be of interest (Halim, 2015).

According to Notoatmodjo (2014), several factors influence a person's level of knowledge. Educational factors play a crucial role, as a higher level of education enables individuals to more easily understand and absorb information about specific subjects or areas of knowledge. Education is a fundamental human need essential for personal development; the higher a person's educational attainment, the easier it is for them to acquire and develop knowledge and technology. Information sources, such as parents, teachers, and mass media, also contribute significantly to knowledge formation. Employment factors influence knowledge as well, since a person's job determines their exposure to and access to information relevant to their field or area of work. Experience is another important factor, as individuals with more experience tend to possess greater understanding about a particular subject; thus, knowledge can be measured through interviews or questionnaires designed to assess the respondent's familiarity with specific content. Furthermore, belief systems—whether positive or negative—can shape knowledge, often transmitted across generations even without direct verification. Lastly, socio-cultural factors such as family traditions, cultural values, and social environments also play a vital role in shaping an individual's knowledge, perceptions, and attitudes. The workplace environment, for instance, can enhance a person's knowledge and experience both directly and indirectly.

2.3. Financial literacy

Financial literacy is an important need to avoid financial problems that occur. Financial literacy in recent years has received attention from governments, banks, entrepreneurs, financial markets and others. Financial literacy can be obtained through information such as from friends, relatives, parents, electronic media and other sources. Widati (2012) states that the factors that can affect financial literacy are: (a) Family socioeconomic status, based on research that has been conducted, socioeconomic status has an indirect influence on financial literacy. The higher the socio-economic status of the family, the greater the opportunity for students to gain learning experience in financial management which will affect financial literacy; and (b) Family financial management education, in this case the family is the most dominant place in the process of socializing children about financial matters. Through family education, in simple ways, children are brought to a desired value system or attitude to life and accompanied by parental examples that have indirectly led children to certain views and habits. Parents teach their children how to act by relying on values, beliefs, and knowledge in all fields including those related to finance.

2.4. Risk preference

Risk Preference is the tendency of an individual to choose risky things, students definitely want to make a profit in investing in a particular item. However, in investing in any form of stock, there must be a risk contained therein. The risk considered by students can be in the form of *capital loss* or even profit. The amount of risk that investors are willing to bear is not the same, even though the investor's personality is the same according to Gesta (2019). Indicators of risk preference measurement according to Tandio & Widanaputra (2016) state that there are indicators of risk preference, among others, namely: (a) Risk Seeker is a trait or tendency that occurs in investors who are more willing to take risks to generate greater profits / high returns. These investors who have this trait are willing to invest in capital market products and futures trading, such as stocks; (b) Risk Neutral/moderate is a trait or tendency that occurs in investors who expect the same increase in return for every increase in risk. In essence, risk neutral investors tend to choose investment products that can grow their money (increase returns); and (c) Risk averse is a trait or tendency that occurs in investors who try to stay away from risk. The main goal of risk averter type investors is to keep financial fluctuations from being affected by inflation (capital security).

2.5. Intention

Intention is a feeling and an interest in activity, without anyone telling you to and does not arise suddenly or spontaneously, but arises due to participation, knowledge, and habits (Ardiana et al., 2024; Slameto, 2010). Setia et al. (2018) examines that interest is the tendency of a person's will or desire to do or display a certain behavior. The greater the interest in bringing something up, the greater the likelihood that the behavior will be displayed. Based on some of the above definitions, the author concludes that interest is an individual's interest and tendency to take certain actions that arise from within the individual.

According to Fatimah (2020), there are indicators of investment interest as follows: (a) The desire to find out about an investment. The desire to find out about investment in this case is to like and have enthusiasm to read articles about investment or attend lectures related to investment; (b) Taking the time to learn more about investing Taking the time to learn more about investing by attending training and seminars on investing. In this case, it means that students have a sense of enthusiasm for activities related to investment such as investment training and seminars; and (c) Trying to invest. Trying to invest in this case is that students already have the desire to invest. This desire is evidenced by having an investment account and already trying to invest through the account they have.

3. Research methods

3.1. Research approach

This research is quantitative descriptive research, which is research intended to provide information about the observed data to make it meaningful and communicative. (Damayanti et al., 2019). The purpose of this paper is to see how investment knowledge, financial literacy, risk preference how much influence student interest in investing in stocks to the capital market through the investment gallery of the faculty of economics, ocean university. Every data used in this study is primary data, which means that the data is obtained from distributing questionnaires addressed to students of the faculty of economics of oceanic universities. The variables used in this study are investment knowledge variables, financial literacy, and risk preferences.

3.2. Population and sample

Population is the entire collection of elements related to what researchers expect in drawing some conclusions (Ikhsan, et al. 2014). The population in this study were

students at the Faculty of Economics, Universitas Samudra. Based on data sources obtained by the author, it can be seen that the number of students at the Faculty of Economics, Universitas Samudra, is 696 students.

The sample is part of the number and characteristics possessed by the population, or a small part of the population members taken according to certain procedures so that they can represent the population (Siyoto et al., 2015: 64). The method used for sampling in this study is *purposive* sampling which is a non-probability sampling technique. So in the number of samples in this study with calculations using the *Solvin* formula. Respondents as the sample studied were students of the Faculty of Economics, Universitas Samudra, totaling 144 samples as a result of calculations using the Solvin formula.

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

$$n = \frac{696}{1 + (696 \times 10\%)^2} = 143.6 \text{ multiplied to } 144$$

where *n* is number of research respondents, *N* is total population of students of the Faculty of Economics, Universitas Samudra, and e is 10% error value.

4. Results

This study uses multiple linear regression models, because the independent variables studied are more than one. Data processing using SPSS Version 25 for windows. The results of data analysis are as follows in Table 1. The t test is used to test the significant partial effect of the independent variable consisting of Investment Knowledge (X1), Economic Literacy (X2), Risk Preference (X3) with the dependent variable, namely investment interest (Y). The results of the t test in this study are as follows:

Table 1. Results of regression analysis

Variable	T	Sig.	Remarks
(Constant)	7462	0.000	
X1	1.746	0.083	Not significant
X2	-1.895	0.60	Not significant
X3	4.316	0.000	Significant

Note: Dependent Variable: MI
Source: Data Processed from SPSS 25 (2023)

Based on Table 1, the results of the multiple regression analysis are as follows:

$$Y = 12.233 + 0.158\ X1 - 0.142\ X2 + 0.344\ X3 + e$$

The constant value is positive at 12.233, which means that if the variables of investment knowledge, financial literacy, and risk preference are constant or equal to zero, the investment interest value will be 12.233. The regression coefficient for the investment knowledge variable (X_1) is 0.158, indicating a positive relationship. This means that for every one-unit increase in investment knowledge, students' interest in investing will increase by 0.158. The regression coefficient for the financial literacy variable (X_2) is –0.142, indicating a negative relationship. This suggests that for every one-unit increase in financial literacy, students' interest in investing in the Islamic capital market will decrease by 0.142. Meanwhile, the regression coefficient for the risk preference variable (X_3) is 0.344, showing a positive relationship, meaning that for every one-unit increase in risk preference, students' investment interest in the Islamic capital market will increase by 0.344.

The F-test is used to examine the simultaneous effect of all independent variables—Investment Knowledge (X_1), Financial Literacy (X_2), and Risk Preference (X_3)—on the dependent variable, Investment Interest (Y). Based on the statistical results from SPSS 25 for Windows, the ANOVA table presents the calculated F-test values. The results are summarized in Table 2 (F-test results).

Table 2. Simultaneous test results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	243.858	3	81.286	14.026	.000b
Residuals	811.364	140	5.795		
Total	1055.222	143			

Notes: Dependent Variable: Investment Interest; Predictors: (Constant), Investment Knowledge, Financial Literacy, and Risk Preference
Source: Data Processed from SPSS 25 (2023)

Based on the simultaneous test results (f test) in Table 2, above shows that the fcount value is 14,026 and sig is 0.000. So it can be concluded that there is a significant effect of investment knowledge variables, financial literacy variables and risk preference variables together affecting student interest in investing in Islamic capital markets. This shows that the hypothesis Ha4 is accepted.

5. Discussion
5.1. Investment knowledge and investment interest

The results indicate that investment knowledge does not have a significant effect on students' interest in investing in Islamic capital markets. The study, which involved 144 respondents from the Faculty of Economics at Universitas Samudra (comprising students from the Management, Development Economics, and Accounting programs), revealed a t-value of 1.746, which is lower than the t-table value of 1.977, with a significance value of 0.83. These results suggest that investment knowledge does not influence students' investment interest in the Faculty of Economics Investment Gallery at Universitas Samudra.

This finding implies that investment knowledge alone does not necessarily determine an individual's willingness to invest. Other supporting factors may stimulate interest in investing in the capital market. This is consistent with the social cognitive theory, which states that behavioral change and individual desires are influenced by environmental factors, social relationships, education, and self-efficacy. Knowledge that is not applied in practice may remain theoretical and fail to generate interest or motivation due to the absence of consistent engagement.

In reality, students who are interested in investing often do not base their interest on their level of investment knowledge. Limited understanding of investment practices also hinders students from applying their theoretical knowledge. Investment knowledge can be defined as an individual's fundamental understanding of the basic principles of investment (Taufiqoh et al. (2019). In line with this, A. Darmawan (2019) found that investment knowledge has no significant influence on investment interest, suggesting that while knowledge is important, it must be supported by effective education and exposure to investment activities to stimulate participation.

5.2. Financial literacy and investment interest

The results show that financial literacy does not significantly affect students' interest in investing in Islamic capital markets. The analysis involving 144 respondents revealed a t-value of 0.1895, which is lower than the t-table value of 1.977, with a significance level of 0.60. Thus, financial literacy does not significantly influence investment interest among students in the Faculty of Economics Investment Gallery.

This finding aligns with social cognitive theory, which views financial literacy as a generalized personal factor influenced by environmental conditions. Therefore, financial literacy should not be considered a direct determinant of investment interest. A person's decision to invest is shaped more by internal motivations and environmental influences than by financial capability alone.

This result supports the findings of Salwah (2020), who reported that financial literacy does not significantly affect investment decisions among investors in Makassar. Most

respondents in that study were around 21 years old—an age characterized by enthusiasm for new experiences. However, at this stage, financial management skills are crucial to ensure that investment activities are purposeful rather than impulsive. A person's sense of financial ability can lead to investment interest, but literacy alone does not guarantee engagement in investment activities.

5.3. Risk Preference and investment interest

The study found that risk preference significantly influences students' interest in investing in Islamic capital markets. With a *t*-value of 4.316 exceeding the *t*-table value of 1.977 and a significance level of 0.000, it is evident that risk preference has a positive and significant effect on investment interest among students in the Faculty of Economics Investment Gallery.

   The significant effect of risk preference suggests that investment interest is largely driven by curiosity, willingness to take risks, and enthusiasm for potential returns. According to social cognitive theory, interest and motivation are shaped by multiple supporting factors beyond knowledge and financial literacy. Students who attend capital market seminars, for instance, demonstrate a form of risk preference as they actively seek to learn and engage in investment-related activities.

   Risk preference refers to an individual's tendency to choose risky options in pursuit of potential gains. In the context of stock investments, risks may include capital loss or profit opportunities. Each investor's tolerance for risk differs, even among individuals with similar characteristics (Gesta, 2019). These findings are consistent with those of Ulfa et al. (2024), who found that risk preference significantly affects investment interest in the capital market. The accessibility of minimal investment capital allows students to open securities accounts with limited funds, making investing feasible even for those without regular income. The higher the expected return, the greater the associated risk—and the stronger the students' investment interest tends to be, as they are more attracted to potential returns than to analytical evaluations of long-term stock performance.

5.4. The combined effect of investment knowledge, financial literacy, and risk preference on investment interest

The fourth hypothesis (H4) proposed in this study examines the simultaneous influence of investment knowledge, financial literacy, and risk preference on investment interest. The *F*-test results show an *F*-value of 14.026 with a significance level of 0.000 (< 0.05),

indicating that these variables jointly have a significant effect on students' investment interest in Islamic capital markets.

This implies that individuals interested in investing should possess adequate investment knowledge to avoid irrational decisions and strengthen their motivation to invest. Financial literacy is also crucial, as proper financial management helps minimize financial difficulties and facilitates informed decision-making. Once knowledge and literacy are internalized, individuals develop a specific risk preference that aligns with their financial capability and desired return level. Those who balance these three factors—knowledge, literacy, and risk awareness—are more likely to participate as active investors.

This finding aligns with Ainiyah (2022), who found that investment motivation and technological advancement simultaneously influence investment interest in Islamic mutual funds among Generation Z in Surabaya. Similarly, Ulfa et al (2024) emphasized that both investment motivation and technological progress have a significant joint impact on investment interest. According to Munawarah et al. (2024), investment interest is shaped by internal factors (such as physical and psychological aspects) and external factors (such as social support, facilities, environmental conditions, and individual roles). Investment motivation, as an internal factor, reflects a person's psychological drive to engage in investment activities—further reinforcing the idea that cognitive and behavioral aspects must align to foster meaningful investment participation.

6. Conclusion

The results indicate that the investment knowledge variable does not have a significant influence on students' investment interest at the Faculty of Economics, Universitas Samudra Langsa. This suggests that investment knowledge alone is not the main determinant of one's interest in investing, as other supporting factors such as environment, peer networks, and personal abilities may play more important roles. This finding is consistent with social cognitive theory, which emphasizes that behavioral and motivational changes can be influenced by external and internal factors.

Similarly, the financial literacy variable does not have a significant effect on students' investment interest. In line with Social Cognitive Theory, financial literacy is categorized as a personal factor that interacts with environmental factors. Therefore, financial understanding alone does not necessarily drive someone to invest, as investment decisions may be more influenced by personal needs and the surrounding environment rather than by financial capability.

In contrast, the risk preference variable shows a significant influence on students' investment interest. This finding indicates that students' willingness to take risks strongly affects their motivation to invest. According to social cognitive theory, individual interest and motivation are not solely determined by knowledge or financial literacy but also by other supporting factors such as curiosity and exposure to investment activities, including capital market seminars. Students with higher risk preferences are more likely to become active investors at the Faculty of Economics Investment Gallery.

Furthermore, the results of the multiple linear regression analysis show that investment knowledge, financial literacy, and risk preference simultaneously have a significant effect on students' investment interest. The results of the F-test show a calculated F-value of 14.026, which is greater than the F-table value of 2.67, with a significance level of 0.000<0.05. Therefore, it can be concluded that these three variables collectively influence students' interest in investing at the Faculty of Economics, Universitas Samudra.

Conflict of interest

The authors declare that there are no conflicts of interest regarding this publication.

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