

THE INFLUENCE OF KNOWLEDGE, INVESTMENT MOTIVATION AND INVESTMENT UNDERSTANDING ON STUDENT INTEREST TO INVEST IN THE CAPITAL MARKET

Suprihati¹⁾, Sri Laksmi Pradanawati²⁾
Email: Suprihati4566@gmail.com

Abstract: *The purpose of this study was to determine the effect of understanding on investment interest in the capital market, to determine the effect of investment motivation on investment interest in the capital market and to determine the effect of understanding investment on investment interest in the capital market. The population in this study were ITB - AAS Indonesia students. The sample in this study were 243 students. Collecting data by distributing questionnaires. The data analysis used is multiple linear regression analysis, Anova test, partial test, and model accuracy test. The results of the analysis of this study are understanding investment, investment knowledge, and investment motivation partial and simultaneously influence the interest in investing in the capital market.*

Keywords: *Knowledge, Motivation, Interest, Investment, Capital Market*

A. Introduction

The capital market is a forum to facilitate investors to invest. The capital market has an important role in supporting the economy of a country because the capital market has two functions, namely an economic function and a financial function. (Horne, 2016).

Education about the capital market to the public is very important to be announced because it is useful for increasing the number of enthusiasts to invest in the capital market (Tandio, 2016). Therefore, the government through the IDX launched a campaign movement program namely "Let's Save Stocks" in order to increase the number of investors in the Indonesian capital market. One of the main targets of the Indonesia Stock Exchange in attracting new investors is by establishing an investment gallery in each tertiary institution. Stock Exchange in Indonesia, namely the IDX, which is the merger exchange of the Jakarta Stock Exchange and the Surabaya Stock Exchange. The IDX began operating on December 1, 2007 and is now growing. Currently, the Indonesia Stock Exchange has 34 representative offices, one of which is in Indonesia, the Indonesia Stock Exchange Solo Representative Office (IDX KP Solo) was inaugurated on April 21, 2017, which is located at Graha Prioritas Building, 1st Floor Jl. Slamet Riyadi 302-304, Indonesia, Central Java. Currently, IDX KP Solo has established about thirteen investment galleries spread across Indonesian universities and one of them is the ITB -AAS Indonesia Investment Gallery. This opens opportunities for Indonesian ITB -AAS students to invest in the Capital Market. ITB -AAS Indonesia is one of the higher education institutions that has an investment gallery, the opening of this investment gallery is a collaborative program between ITB -AAS Indonesia and the Indonesia Stock Exchange (BEI), the Financial Services Authority (OJK) and PT Reliance Securitas. With this investment gallery, it is expected to become a means for ITB -AAS Indonesia students to jump right into practicing the world of investing in the capital market.

Interest is one dimension in the affective aspect that has a big role in a person's life (Stiggins, 2016). The affective aspect is an aspect that identifies the dimensions of feeling in emotional awareness, disposition, and will that affect one's thoughts and actions. According to (Fatmasari, 2011). Motivation is a state in a person's personality that encourages the individual desire to carry out certain

activities in order to achieve goals. (Ikbal, 2012). ITB - AAS Indonesia students are taught about the basics of investing as well as the types of investment and the benefits of investing. Several supporting facilities have also been provided, namely the Investment Gallery as a learning medium to jump directly into the world of capital market investment. Motivational seminars are often held by campuses or campus organizations to increase student motivation to invest in the capital market. Students tend to have great motivation and interest in investing after getting motivation from the speakers at the investment motivation seminar. The motivation to invest tends to decline over time, not a few of the students have decreased interest in investing in the capital market because of the large number of subject assignments, organizations and busy work. Research conducted by (Raditya, 2014) states that perceptions of risk and return affect student investment interest, and are unable to moderate minimum investment capital, return, and perceived risk with investment interest. Merawati, 2015 which states that investment knowledge and income have a significant positive effect on student investment interest. This study also succeeded in finding that the educational program conducted by Unmas Denpasar stated that capital market training had not been able to moderate the relationship between investment knowledge and income and interest.

B. Problem Formulation

1. Does knowledge affect student interest in investing in the capital market?
2. Does investment motivation affect student interest in investing in the capital market?
3. Does the understanding of motivation affect student interest in investing in the capital market?
4. Do knowledge, motivation and understanding of investment jointly influence student interest in investing in the capital market?

C. Theory Basis

Referring to Theory of Planned Behavior (TPB) which is a development of Theory of Reasoned Action (TRA). (Ajzen, 1980) stated in Theory of Reasoned Action, that a person's behavior is determined by an intention which is a function of behavior towards subjective norm behavior. This intention is able to predict a person's behavior very well and is a cognitive representation of one's readiness to behave. This intention is determined by three things, namely behavior, subjective norms and behavior control.

Theory of Reasoned Action (TRA) can be applied to consumer behavior. For example, buying behavior is influenced by intention, attitude towards behavior (attitude towards behavior) and subjective norms (Dharmmesta, 2000). This theory explains that attitudes will influence behavior through a thorough and reasoned decision-making process, and have an impact on three things, namely:

1. Behavior is not only influenced by attitudes in general but also by a more specific attitude towards an object.
2. Belief is not based on norms, but also by subjective attitudes, namely what other people want to do something.
3. Attitudes towards behavior together with norms form the intention to behave (Sihombing, 2003).

According to (Thimotius, 2016) stated in Theory of Planned Behavior, that humans act in accordance with the intention and perception of certain behavior control, where the intention is to take advantage of behavior, subjective norms and behavior control. Of the three things that determine the intention, behavior is the main point that can predict a behavior. The Theory of Planned Behavior also illustrates that behavioral intentions (behavioral intentions) do not only rely on behavior (attitudes towards behavior) and subjective norms (subjective norms), but also utilize perceived behavioral control (perceived behavior control). Behavioral control is based on past experiences and estimates of whether it is difficult or not to perform certain behaviors (Azwar, 2003). Therefore the intention to behave can indicate the behavior that will be carried out by someone. This can explain that someone who has an interest in developing will tend to take actions to achieve his desires. For example, by participating in training and seminars on investment, receiving good investment offers, and ultimately investing (Kusmawati, 2011).

The characteristics of someone who is interested in being developed can be known by no matter what they do in finding out about a type of investment, studying and then practicing it. This is in line with the opinion (Kusmawati, 2011) which states that interest in developing is the desire to find out about the type of investment starting from profits, weaknesses, investment performance and so on. Another feature that can be seen is that they will try to take the time to learn more about the investment or they immediately try to invest in that type of investment, even adding to their existing investment 'portion'. Interest according to (Stiggins, 2015) is a dimension in the affective aspect that has a big role in a person's life. This affective dimension includes several things including:

1. the relationship between feelings about different objects.
2. the feelings have a direction starting from the neutral point to the opposite point, not positive and not negative.
3. have different intensity feelings, starting from weak, moderate, to strong.

interest is a desire that is driven by a desire after seeing, observing and comparing and considering the needs it wants. Interest shows how much effort a person plans to do something. According to (Shaleh, 2004: 263). interest is a tendency to pay attention to people and act on people, activities or situations that are the object of that interest accompanied by feelings of pleasure. Meanwhile, according to (Sujanto, 2004: 92) states interest as a concentration of attention that is accidentally born with a full will and depends on the talent and the environment.

Investment knowledge is the basic knowledge you have to make an investment. The variable measure used for investment knowledge is an understanding of investment conditions, basic knowledge of stock valuation, the level of risk and the return on investment (Kusmawati, 2011). Knowledge of this will make it easier for someone to make investment decisions, because knowledge is the basis for the formation of a strength for a person to be able to do something he wants. This is as stated by (Halim, 2005: 4) that investing in the capital market requires sufficient knowledge, experience and business instincts to analyze which securities to buy. Sufficient knowledge is needed to avoid losses when investing in the capital market, such as in stock investment instruments. There are things that someone should understand and consider before investing, namely understanding how business / investment and business objectives work, understanding the risk of return obtained, learning about the company business where to invest, choosing companies that have strong business fundamentals, investment period, allocating portfolio efficiently, learn about both technical and fundamental stock analysis, not being too aggressive so it needs to be defensive, disciplined and not greedy. Investment Motivation Motivation is a condition in a person's personality that encourages individual desire to carry out certain activities in order to achieve goals. The motivation that is in someone will manifest a behavior that is directed at the goal of achieving the goal of satisfaction. So, motivation is not what can be observed but is something that can be concluded because of a visible behavior (Ikbal, 2011). Investment Understanding Understanding according to the Big Indonesian Dictionary is something that we understand and we understand correctly. Menurut (Sudirman, 2015) understanding is a person's ability to interpret, interpret, translate or state something in his own way regarding the investment knowledge he has received. Understanding includes the ability to grasp the meaning and meaning of the material being studied. Understanding learning outcomes is a type of learning that is higher than the type of learning knowledge. (Sudjana, 2014: 24) states that understanding can be divided into 3 categories, namely:

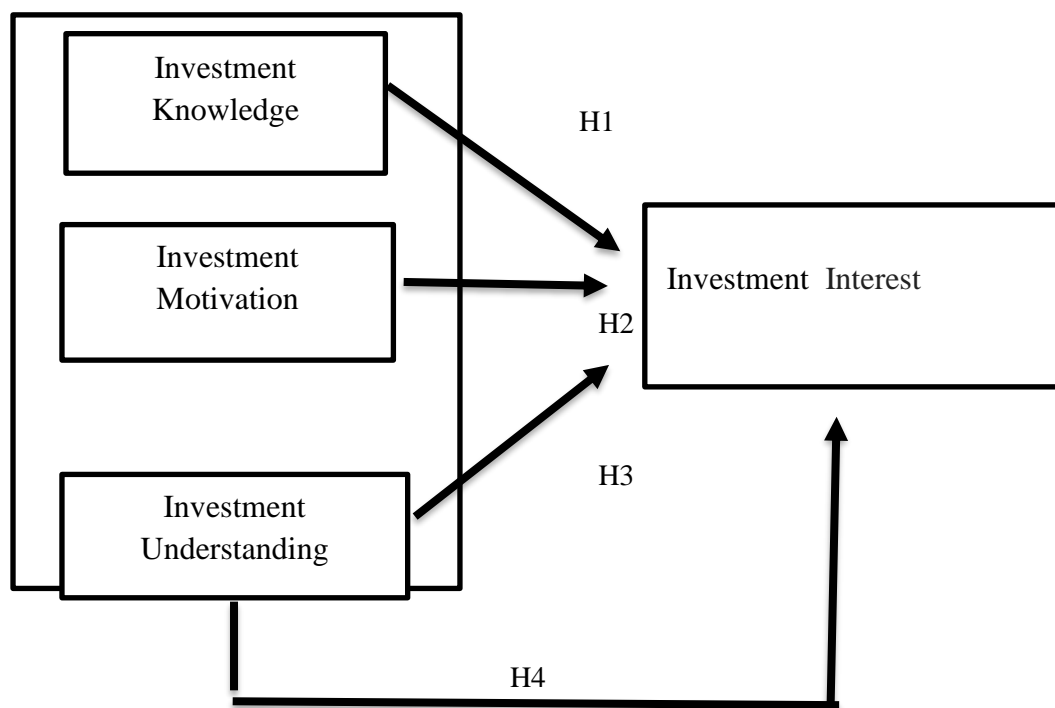
1. The lowest level is understanding translation, starting from translating in the real sense, interpreting and applying principles.
2. Interpretive understanding, is connecting the lowest parts with the next known or connecting some parts of the graph with events, distinguishing the main from the non-essential
3. The level of extrapolation meaning, which is being able to see behind what is written, can make estimates, predictions based on the understanding and conditions described in the ideas or symbols, as well as the ability to make conclusions related to its implications and consequences.

From the explanation above, it can be concluded that the understanding of investment is the ability of students to interpret, interpret, and be able to capture what is conveyed about investment in the capital market. Students are able to apply the knowledge they have gained from lectures and from investment

motivation seminars. If it is related to investment learning, understanding occurs because of learning and motivational seminar trainings to start learning how to invest in the capital market. The principles of learning and training must first be selected so that students are able to learn and practice them quickly. For example, studying the concept B which is based on the concept A, one needs to first understand the concept A. Without understanding the concept A, it is impossible for someone to be able to understand the concept B. This means that studying investment must be gradual and sequential and based on first learning experiences. Providing students with an understanding of what investment is and the benefits of investing. Because many among students who do not understand what investment in the capital market is and its benefits. At first glance, students often hear the word investment, but most students do not understand the importance of investing.

D. Framework

Research basically describes the procedures that allow the researcher to test the research hypothesis, to be able to reach valid conclusions between the independent variable and the dependent variable in the study.



Picture 1
Framework

E. Research Hypothesis

1. The Influence of Investment Knowledge on Investment Interest in the Capital Market

The basic knowledge that a potential investor must know before investing is how much return will be obtained from the selected investment product, the amount of risk that will be borne. Return is the initial consideration that investors must take before starting to invest in investment. Investments that are invested aim to obtain increased benefits that can be felt or enjoyed in the future. So thus, a good investor will certainly plan and calculate the amount of return that will be received. without any return that can be obtained from an investment product, of course investors will not invest in the investment product. In capital market investment, return and risk have a positive relationship. The higher the return that investors will get in investing, the higher the risk, so that investors have the potential to experience large losses and even lose their capital. Therefore a careful analysis is needed so that adequate investment knowledge is needed to make an investment decision. Therefore, the importance

of knowledge of investment products that a person has will have an impact on whether or not to buy investment products (Robert, 1995).

H1: Knowledge of investment affects investment interest in the capital market

2. The Effect of Investment Motivation on Interest in Investing in the Capital Market

Actions taken by a person are based on fulfilling their needs and desires. Various needs, be it social needs, need for appreciation or need for self-actualization, can trigger someone to take actions or decisions outside of everyday life. Generally, the actions that a person takes to take advantage of their excess funds are by saving or making deposits. This action is usually performed by people who fall into the risk averse category. Unlike the case with people in the risk taker category, they tend to invest their funds in investment forms. The greater profit that will be obtained later is a factor motivating a person to make investment decisions even though the risks faced are also large such as investing in stocks. So the desire or motivation to invest arises because someone's substantial needs have been met, so the next needs to be met are social needs, appreciation needs, and self-actualization (Kusmawati, 2011). Several research results show that motivation has an influence on women's interest in investing (Kusmiati, 2011). Even though this study took the female gender as the subject of the study, these results will also apply to the male gender because basically men also have the same needs and interests in financial matters. In line with research (Riyadi, 2016) which concluded that motivation has a significant effect on the investment interest variable. The decision to invest is also one of the actions taken to fulfill their needs to achieve what they think, because a career in investment also provides hope for a bright future.

H2: Investment motivation has an effect on investment interest in the capital market

3. Effect of Investment Understanding

The decision to take someone's investment is motivated by an understanding of investing. This investment division includes knowledge of the types of investment, the returns to be obtained, the risks faced, the trading system, how to analyze, to other things related to psychological. This investment knowledge can be obtained from anywhere, from formal education such as in higher education or non-formal education such as training (Sharpe, 2005: 15). This knowledge of investing will guide potential investors in the best types of investments to choose from. Based on the results of research (Hamonangan, 2007) and (Wiwin, 2006), it shows that there is a significant positive influence between investment understanding and student investment interest.

H3: Understanding investment affects investment interest in the capital market.

4. Investment understanding, investment knowledge and motivation collectively influence investment interest in the capital market.

Good investors are required to have and master investment knowledge and be able to apply it in the field. Sufficient understanding and knowledge about investing can support one's success in investing. Sufficient knowledge of a matter can motivate someone to make a decision or take an action. A person who is motivated to invest will tend to seek information related to investing and then start to practice it step by step until he is successful in investing. Therefore, it is suspected that there is an effect of investment understanding, investment knowledge and investment motivation on investment interest.

H4: Understanding investment, investment knowledge, and motivation simultaneously affect investment interest in the capital market.

Research Methods

a. Multiple Linear Regression Analysis

Multiple regression analysis is an analysis used to determine the factors that influence the interest of Indonesian ITB -AAS students to invest in the capital market using the formula:

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3 + e \text{ (Sugiyono, 2012: 261)}$$

Information :

Y: Investment Interest
 X1: Investment Knowledge
 X2: Investment Motivation
 X3: Investment Understanding
 a: Price coefficient (price Y if X = 0)
 B1,2,3: Regression Coefficient
 e: Error

b. t test

This test is used to determine whether each of the independent variables individually has a significant effect on the dependent variable. if t count > t table or probability < level of significance (Sig ≤ 0.05), then Ha is accepted and Ho is rejected, so the independent variable affects the dependent variable. Conversely, if t count < t table or probability > the level of significance (Sig > 0.05), then Ha is rejected and Ho is accepted, so the independent variable has no effect on the dependent variable. The t statistical test is intended to test whether a hypothesis can be accepted or rejected, using SPSS 23.

c. F test

The F test is intended to determine whether in this study the model used is feasible to be tested or not as an analytical tool to test the simultaneous effect of independent variables on the dependent variable. The F test can be done using the help of SPSS 23.

$$F_{reg.} = \frac{R^2 (N-m-1)}{m(1-R^2)} \quad (\text{Ghozali, 2011: 90})$$

The price of Fcount is consulted with Ftable at the 5% significance level. If Fcount is greater than or equal to Ftable, then the hypothesis is accepted, and vice versa.

d. Determination Test (R2)

The coefficient of determination (R2) in essence measures how far the model's ability to explain the variation in the dependent variable. The value of R2 is between 0 and 1. The step of finding the coefficient of determination can be done using SPSS 23

$$R^2_{y(1, 2, 3)} = \frac{(a_1 \sum X_1 y + a_2 \sum X_2 y + a_3 \sum X_3 y)}{\sum y} \quad (\text{Sutrisno Hadi, 2004})$$

G. Discussion

Results of Multiple Linear Regression Analysis

Independent Variable	B	Standard error
Constant	6,080	1,447
Investment Knowledge	0,133	0,065
Investment Motivation	- 0,361	0,062
Investment Understanding	0,525	0,064

Regression equation is $Y = 6,080 + 0,525X_1 - 0,133X_2 + 0,361X_3 + e$

t Test Result

Variable	T _{count}	t _{table}	p _{value}	Result
Investment Knowledge	2,043	1,65251	0,042	Significant

Investment Motivation	5,109	1,65251	0,000	Significant
Investment Understanding	8,185	1,65251	0,000	Significant

The first hypothesis is that investment knowledge has a partially positive effect on student interest in investing. It is known that the investment knowledge variable has a t-count value of -2.043 greater than the t-table of -1.65251 with a significance value of $0.042 < 0.05$, so the hypothesis is accepted and H_0 is rejected, which means that investment knowledge has a partial effect on student interest in investing in the capital market .

Merawati and Wijayanti, 2015 which state that investment knowledge and income have a positive effect on students' intention to invest in the capital market. Disagree with Riyadhi, 2016 states that education does not have a significant influence with a significance value of $0.986 > 0.05$.

The second hypothesis is that investment motivation has a partially positive effect on students' interest in investing in the capital market. This is indicated by the investment motivation variable which has a tcount of 5.043 which is greater than the t table of 1.65251 with a significance value of $0.000 < 0.05$, so the hypothesis is accepted and H_0 is rejected, which means that investment motivation has a partial effect on student interest in investing in the market. capital.

The results of this study are in line with the results of research (Riyadhi, 2016) which states that investment knowledge in a person has an effect on investment interest. Investment motivation has a significant influence on the investment interest variable of 0.239 or 23.9%, and has a significance value of $0.027 < 0.05$. The existence of return or benefits offered, apart from return is the inhibiting factor, namely the possibility of problems and risks that will be faced in the future. These risk factors are taken into account by potential investors to be able to invest or not invest in the capital market.

The third hypothesis is that understanding investment has a partially positive effect on student interest in investing. Can be seen that the understanding of investment has a tcount of 8.185 greater than the t table of 1.65251 with a significant value of $0.000 < 0.05$, so the third hypothesis is accepted and H_0 is rejected, which means that understanding of investment has a partial effect on student interest in investing in the capital market.

The results of this study contradict the results of research from (Raditya, 2014) showing that the minimum capital investment in BNI securities does not have a significant effect on student investment interest, but the perception of the risks that will be obtained when investing greatly affects the student's interest in investing in BNI securities. Students' understanding of good investment affects students' interest in investing, so that when students have an understanding of investment and know the risks that will be obtained when investing in the capital market (Kusmawati, 2011).

F Test Result

Model	F _{count}	F _{table}	P _{value}	Result
Investment Interest	57.928	2,64	0,000	Significant

The Influence of Investment Understanding, Investment Knowledge and Investment Motivation on Investment Interest in the Capital Market

The results of the study support the fourth hypothesis that the investment understanding variable, investment knowledge variable (and investment motivation variable simultaneously or simultaneously) have a positive effect on students' interest in investing in the capital market. This is shown by Fcount of $57,928 > F_{table} 2.64$ and significant. of 0.000. Because $F_{count} < 5\%$ ($0.000 < 0.05$) is significant. Then (H_4) is accepted and H_0 is rejected, or it can be concluded that investment understanding, investment knowledge and investment motivation simultaneously affect student investment interest, thus the hypothesis proven.

Interests are often used as a reference in making individual decisions, especially those related to issues of pleasure, work, hobbies and others. In general, interest will encourage someone to take steps or decisions that can provide support for what they are interested in. However, it depends on the amount of one's investment motivation to move towards realizing this interest. Many students in the

class said that they were interested in making investments, but their enthusiasm was not too weak at the beginning due to the obstacles they faced.

H. Test the coefficient of determination

Results of Determination Test

R Square	Adjusted R Square	Std. Error of the Estimate
0.421	0.58,6	1.598

Based on the results of the analysis, it was obtained that the Adjusted-R² value was 0.414 so that investment knowledge, investment motivation and understanding of investment could explain the variation in investment interest by 58.6% while the remaining 41.4% was explained by other variables that had not been used in this study. .

I. Conclusion

Investment knowledge affects the interest in investing in the capital market, as well as investment motivation affects the interest in investing in the capital market, and understanding of investment affects the interest in investing in the market and investment knowledge, investment motivation, understanding of investment, together affect the interest in investing in the market. capital market for ITB-AAS Indonesia students.

Reference

- Darmawm, D. 2013. *Metode penelitian kuantitatif*. Bandung: Remaja Rosdakarya.
- Komar. 2016. BEI Catat Kenaikan Jumlah Investor Saham. Diunduh pada tanggal 28 November 2016 dari <http://www.topsaham.com/index.php/opini/item/955-bei-catat-kenaikan-jumlah-investor-saham>.
- Kusmawati. 2011. Pengaruh Motivasi Terhadap Minat Berinvestasi Di Pasar Modal Dengan Pemahaman Investasi Dan Usia Sebagai Variabel Moderat. *Jurnal Ekonomi Dan Informasi Akuntansi (Jenius)*, Vol. 1 No. 2, Mei 2011, P: ISSN:2302-514X. e:ISSN:2303-1018.
- Lubis, P. 2008. *Analisis Faktor-Faktor Yang Mempengaruhi Permintaan Investasi Di Indonesia*. Tesis Magister, Universitas Sumatera Utara, Sumatera Utara.
- Mahasiswa Jadi Investor Potensial Pasar Modal. 2016. Diunduh pada tanggal 28 November 2016 dari <http://economy.okezone.com/read/2016/06/16/278/1416873/mahasiswa-jadi-investor-potensial-pasar-modal>.
- Merawati, L.K., & Putra, I.P.M.J.S. 2016. *Dampak Pelatihan Pasar Modal Terhadap Pengetahuan Investasi dan Minat Berinvestasi Mahasiswa*. Seminar Nasional oleh Lembaga Penelitian Dan Pemberdayaan Masyarakat (LPPM) UNMAS Denpasar, 29, (30)
- Sugianto, D. 2016. BEI Ingin Mahasiswa Sisihkan Rp100 Ribu untuk Investasi. Diunduh pada tanggal 28 November 2016 dari <http://economy.okezone.com/read/2016/05/17/278/1390525/bei-ingin-mahasiswa-sisihkan-rp100-ribu-untuk-investasi>.
- Sugiyono. 2011. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Tandio, T. & Widanaputra, A. A. G. P. 2016. Pengaruh Pelatihan Pasar Modal, Return, Persepsi Risiko, Gender, Dan Kemajuan Teknologi Pada Minat Investasi Mahasiswa. *E-Jurnal Akuntansi Universitas Udayana*, 16.(3) : 2316-2341
- Wijayanti, R. (2015). *Pengaruh Modal Minimal Investasi, Promosi Dan Pengetahuan Terhadap Minat Mahasiswa Berinvestasi Dinar di Gerai Dinar BMT Daarul Mustaqim Pekalongan*.

Yori. (2012). 6 Sumber Penghasilan Mahasiswa selain Uang saku. Di pada tanggal 30 November 2016 unduh dari <https://yorigroup.wordpress.com/2012/06/20/6-sumber-penghasilan-mahasiswa-selain-uang-saku/>.

Yuwono, SR. (2011). *Pengaruh Karakteristik Investor Terhadap Besaran Minat Investasi Saham di Pasar Modal*.