

## The Effect of Investment Knowledge, Investment Risk, and Pocket Money on Interest in Investing in the Capital Market

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### Abstract

**Research Aim :** The purpose of this study was to determine the effect of investment knowledge, investment risk and pocket money on students' interest in investing in the capital market.

**Research Method :** This research was conducted through a quantitative approach using primary data obtained from 78 respondents, namely students from Nusantara University PGRI Kediri Faculty of Economics and Business who had received capital market lessons. Data analysis techniques in the form of descriptive statistics, classical assumption tests, Multiple Linear Regression Analysis, determinant coefficient and hypothesis testing.

**Research Finding :** The results showed that investment knowledge had a significant positive effect on interest in investing in the capital market. Investment risk has no effect on interest in investing in the capital market. Pocket money has a significant positive effect on the interest in investing in the capital market. Based on the results of simultaneous testing, it is known that there is a significant positive effect between the variables of investment knowledge, investment risk, and pocket money with interest in investing in the capital market.

**Keywords :** Investment Knowledge, Investment Risk, Pocket Money on Interest, Capital Market

## 1. Introduction

The capital market currently plays a very important role in the national economy and has two functions at once, namely economic functions and financial functions. The role of the capital market as a source of funding for business actors that has an impact on a country's economy is not only an alternative, but can be the main source of funding. The development of the capital market is quite rapid, even after the Covid-19 pandemic, this investment field is even more frequently discussed. One of the goals of investing is to face uncertainty in the future.

In previous research conducted by Pajar and Pustikaingsih (2017), the effect of investment motivation and investment knowledge on investment interest in the capital market of Yogyakarta State University students was examined, and produced data showing that the

independent variables jointly affect the dependent variable for the remaining 82, 4% 17.6% influenced by other variables. In contrast to the findings of Nisa (2017), which found that understanding of investing did not affect students' interest in investing in the capital market.

Based on the two studies above, there are differences in the results, so this research is focused on examining the effect of investment knowledge, investment risk, and pocket money on interest in investing in the capital market conducted by students at Nusantara PGRI University, Faculty of Economics and Business who have taken capital market courses. . So that this research aims to be able to describe the formulation of the problem "How does investment knowledge, investment risk, and pocket money influence the interest in investing in the capital market?"

## 2. Method

The research method used in this research is a descriptive method which gives a description of the phenomenon or social symptoms studied by describing the value of the independent variable (Iskandar, 2008). This study uses causality research techniques. This research is located at Nusantaran PGRI University, Kediri City. The data collection method used in this study was by distributing questionnaires to students of the economics and business faculties of accounting and management study programs.

## 3. Results and Discussion

The research results resulting from the analysis show that the variables of investment knowledge and pocket money affect the interest in investing in the capital market, while the risk variable does not affect the interest in investing in the capital market. The following are the results of several tests carried out:

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**Uji Koefisien Determinasi (R<sup>2</sup>)**  
**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.755 <sup>a</sup>	.570	.553	2.276

a. Predictors: (Constant), Uang Saku, Resiko Investasi, Pengetahuan Investasi

Based on the summary model above, the Adjusted R Square or the coefficient of determination shows the number 0.570, which means that the variables of allowance, investment risk, investment knowledge affect interest in investing in the capital market by 57%. While 43% is explained by other variables.

**Tabel 4.9**  
**Hasil Uji T (test)**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.768	2.282		2.528	.014
Pengetahuan Investasi	.274	.083	.286	3.284	.002
Resiko Investasi	-.148	.076	-.159	-1.958	.054
Uang Saku	.612	.090	.616	6.829	.000

a. Dependent Variable: Minat Berinvestasi di Pasar Modal

From the t-test table above, it can be seen how the influence of each independent variable is really significant in explaining the dependent variable and the following results are obtained:

1. The result of investment knowledge tcount (X1) is 3.284. While the significance value of the investment knowledge variable (X1) is 0.02, which means  $<0.05$ . Based on these results,  $H_0$  is rejected and  $H_1$  is accepted, which means that investment knowledge (X1) has a significant positive effect on interest in investing in the capital market (Y).
2. The result of tcount investment risk (X2) is -1.958. Meanwhile, the significance value of tcount investment risk variable (X2) is 0.054, meaning  $>0.05$ . Based on these results,  $H_0$  is accepted and  $H_2$  is rejected, meaning that investment risk (X2) has no effect on interest in investing in the capital market (Y).
3. The result of tcounting pocket money (X3) is 6.829. Meanwhile, the significance value of the tcount variable of pocket money (X3) is 0.00, meaning  $<0.05$ . Based on these results,  $H_0$  is rejected and  $H_3$  is accepted, which means that pocket money (X3) has a significant positive effect on interest in investing in the capital market (Y).

**Tabel 4.10**  
**Hasil Uji F (test)**  
**ANOVA<sup>b</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	508.576	3	169.525	32.722	.000 <sup>a</sup>
Residual	383.373	74	5.181		
Total	891.949	77			

a. Predictors: (Constant), Uang Saku, Resiko Investasi, Pengetahuan Investasi

b. Dependent Variable: Minat Berinvestasi di Pasar Modal

Sumber: Data Primer yang diolah, 2022

Based on the results of the table above, the Fcount value is 32,772 and compared to the Ftable which is 2.73 (df = 74) and a significance value of 0.000. It is known that Fcount (32.772)  $>$  Ftable (2.73) and the sig. (0.000)  $<$  significance level (0.05). Statistical test results show that the independent variables Pocket Money, Investment Risk, Investment Knowledge simultaneously affect the dependent variable, namely Interest in Investing in the Capital Market.

#### 4. Conclusion

Based on the results of the research that has been done, it can be concluded that the

variables of investment knowledge and pocket money have a significant effect on asking to invest in the capital market, while the risk variable has no effect on the interest in investing in the capital market.

Based on the results of this study, it is hoped that it can contribute to both potential investors and education providers regarding investment in the capital market, so that knowledge about investing in the capital market, risk management, and so on in the future can be even more advanced and better, and more students involved in the world of investment in the capital market. And with this research it is hoped that it will be able to provide new policies for related institutions regarding education related to investment in the capital market.

The limitations in this study lie in the variables of investment knowledge, investment capital, and pocket money on interest in investing in the capital market, and the data used in this research is raw data obtained from the accounting and management study program. It is better for future researchers to provide additional variables so that it is hoped that further research can present better and more complete results.

## Reference

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