

## The Influence of Investment Knowledge, Minimum Capital, Motivation, Information Technology, and Financial Literacy on Student Investment Interest in the Capital Market

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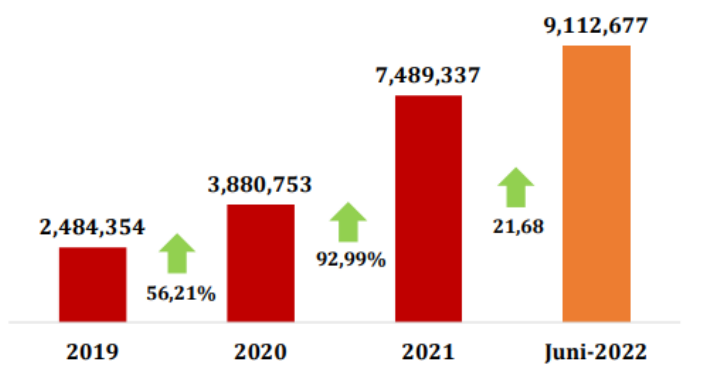
**Abstract:** This study aims to determine the effect of investment knowledge, minimum capital, motivation, information technology, and financial literacy on students' interest in investing in the capital market. This type of research uses quantitative methods. The population in this study were active students at the Muhammadiyah University of Surakarta, class of 2017-2022. The data analysis technique used in this study is multiple linear regression analysis with the help of the SmartPLS version 3.0 program. Collecting data in this study using primary data. The sample in this study were 123 respondents who were obtained through distributing questionnaires. Data collection technique using *purposive sampling*. The research results show that minimum capital has a significant effect on students' interest in investing in the capital market. Meanwhile, investment knowledge, motivation, information technology, and financial literacy have no effect on students' interest in investing in the capital market.

**Keywords:** Investment knowledge, minimum capital, motivation, information technology, financial literacy, investment interest.

### 1. Introduction

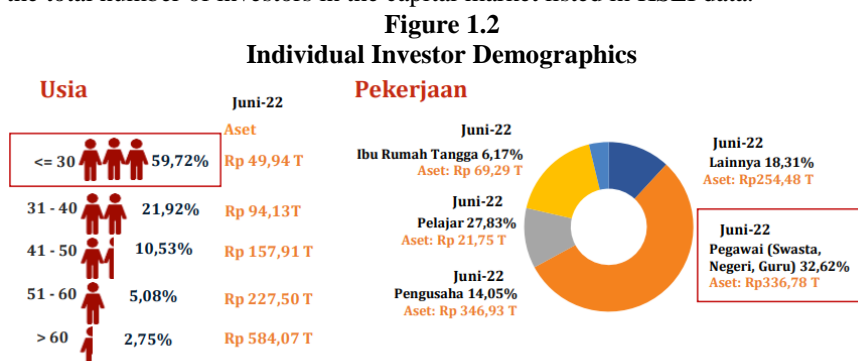
Investment in the capital market is one form that is often used in investing. According to Wibowo & Purwohandoko, (2019), investment is a desire about how to use some of the existing funds or resources to obtain large profits in the future. (Lubis, 2019) explained that the capital market has an important role in supporting the economy of a country, because the capital market has two functions, namely the economic function and the financial function. The capital market based on the Capital Market Law (UUPM) No. 8 of 1995 Article 1 Number 13 explains that the capital market is an activity concerned with public offerings and securities trading, public companies related to the securities they issue, as well as institutions and professions related to effect. With the capital market, it will be easier for potential investors to invest in the company they choose.

Figure 1.1  
Jumlah Investor Pasar Modal



Source: KSEI data, 2022

Based on the data obtained from Indonesian Central Securities Depository (KSEI) from 2019 to June 2022 in Figure 1.1 above, shows that the number of capital market investors has increased every year the year. This number is the total number of investors in the capital market listed in KSEI data.



Source: KSEI data, 2022

In Figure 1.2 above, based on individual investor demographic data, the growth of millennial investors in 2022 among students or students reached 27.83%, as of June 30 2022 with the average age of students or students entering the age category of 30 years and below, the percentage in the highest position high, reaching 59.72% compared to those over 30 years old, this shows that at that age it is a position that has the potential to make investments compared to those over 30 years and over.

People can invest even though they don't have big capital. Students who still use remittances from their parents can also invest. To start investing, students must change the mindset where remittances are invested first, then the rest is for monthly needs. This is in line with the two existing paradigms in society and students regarding investment. First, investment is considered as a desire and secondly, investment is considered as a need. (Suyanti & Hadi, 2019) .

There are factors that can affect students' interest in investing in the capital market. In previous research, several factors such as the opinion of Suyanti & Hadi (2019) states that motivation and investment knowledge is a factor that can influence student investment interest in the capital market. Then according to research results from Larasati & Yudiantoro (2022) factors such as financial literacy, advances in information technology, and minimal capital can affect students' interest in investing in the capital market .

Study This is development from research conducted (Sari et al., 2021) . The difference of this research with study previously is on study This increase financial literacy as variable independent . The financial literacy variable is added as variable independent because financial literacy is essential especially for the people of Indonesia, by having good financial literacy knowledge the community can choose carefully the investments to make. Investment planning must be equipped with good financial literacy so that decisions in financial management have a clear direction. Financial literacy is a factor that can influence interest someone in investing activities, someone with good financial literacy knowledge can manage finances and make good decisions in financial management. This study aims to analyze the effect of investment knowledge, minimum capital, motivation, information technology, and financial literacy on students' interest in investing in the capital market .

## 2. The theoretical basis

### Theory of Planned Behavior

This study uses *the theory of planned behavior* or TPB where this theory explains how humans act, and assumes that humans essentially behave in a conscious way and they consider available information both implicitly and explicitly. In *the Theory of Planned Behavior* behavior is the main point that can predict a behavior. Therefore behavioral intention can indicate the behavior that will be carried out by someone. Likewise with someone who has an interest in investing, he will take action to achieve this desire, such as attending training/seminars on investment, accepting investment offers well, and arriving at the investment stage (Sari et al., 2021) . The theory of planned behavior has a major core in the situation of individual behavior control and one's behavior that can be controlled. Intentions can be said that motivational factors influence behavior which shows how much the way people want to try, and how much effort they want to make to behave (Ajzen, 1991) . Attitude towards behavior is a belief that can be influenced by the positive or negative impacts that have been carried out. Investors have an attitude towards behavior that allows for a positive intention to be involved in investing in the capital market.

### **Hypothesis Development.**

#### **1. The Effect of Investment Knowledge on Students' Interest in Investing in the Capital Market**

Investment knowledge must be understood before starting to invest. Every individual really needs to have an insight into investment knowledge which has an important role in the process of starting an investment, if you don't want a loss for yourself (Haidir, 2019). Training on the capital market and investment seminars on the capital market is a form of learning for potential investors who are involved in it to broaden their knowledge of investment which will then foster interest in these individuals in taking action to invest in the capital market.

Basic knowledge is one of the factors that makes it easier for someone to make investment decisions, because knowledge is the basis for forming a power for someone to be able to do something they want (Efferin, 2006) in (Mahdi et al., 2020). In line with the Theory of Planned Behavior, learning activities will cause a change in behavior as a result of individual experiences in interactions within their environment which involve cognitive, affective and psychomotor (Ajzen, 1991). So that to foster someone's interest in taking action to invest, adequate investment knowledge is needed for the potential investor.

This statement is supported by research by (Mahdi et al., 2020) which states that investment knowledge affects students' interest in investing in the capital market. The same results were also obtained from research (Hati & Harefa, 2019), (Agestina et al., 2020), (Yusuf, 2019), (Negara & Febrianto, 2020), (Suyanti & Hadi, 2019), (Wiguna & Indraswarawati, 2022) and (Wibowo & Purwohandoko, 2019). Based on the description above, the authors formulate the hypothesis as follows:

H1: Investment knowledge influences students' interest in investing in the capital market

#### **2. The Influence of Minimum Capital on Students' Interest in Investing in the Capital Market**

The minimum investment capital is one of the factors that becomes a consideration that strengthens one's interest in taking action to invest in the capital market. Pajar, (2017) in (Mahdi et al., 2020) explained that the minimum investment capital is taken into consideration because it includes a calculation of estimated funds for investment, the more minimum funds required, the higher one's interest in investing. Before taking action to invest in students in particular, they will think about the initial capital that must be spent to invest in the capital market considering that most students do not have a steady income.

*Theory of Planned Behavior* can be applied to the attitude and behavior of potential investors. The issuance of the regulation on the change in price fraction trading units stated in the decision letter Number: Kep-00071/BEI/11-2013, the decree reduced the minimum investment capital of IDR 100,000. By issuing a decision to reduce the minimum investment capital, this can strengthen one's interest in taking action to invest in the capital market (Mahdi et al., 2020)

This statement is supported by research by (Agestina et al., 2020), (Haidir, 2019), (Sari et al., 2021), (Larasati & Yudiantoro, 2022), and (Wibowo & Purwohandoko, 2019) which states that the minimum capital influence on students' interest in investing in the capital market. Based on the description above, the authors formulate the hypothesis as follows:

H2: Minimum capital affects students' interest in investing in the capital market.

#### **3. The Effect of Motivation on Students' Interest in Investing in the Capital Market**

In his research (Wiguna & Indraswarawati, 2022) explained that motivation is a form of forming individual behavior which is characterized by activities that are formed through psychological stages in an effort to achieve goals. Motivation is a form of encouragement that arises within oneself or is created by other people to be able to achieve something that is expected. Research results (Haidir, 2019) states that motivation is the initial stage in the process of someone making an investment. The greater profit that will be obtained in the future is a motivating factor for someone in making investment decisions even though the risks faced are also large, such as investing in stocks. So the desire or motivation to invest arises because a person's substantial needs have been met, so that the next needs to be fulfilled are social needs, esteem needs, and self-actualization (Kusmawati, 2011) in (Mahdi et al., 2020)

Based on the Theory of Planned Behavior (TPB) explains that the actions taken by a person are based on fulfilling their needs and desires. Various needs, be it social needs, esteem needs or self-actualization needs can be a trigger for someone to take actions or decisions outside of everyday life. One example is someone making a decision to invest. The need to invest is carried out by someone if their substantial needs have been met, such as psychological needs and security needs (Mahdi et al., 2020)

This statement is supported by research (Sari et al., 2021), (Haidir, 2019), (Bebasari & Istikomah, 2020), (Lubis, 2019), (Darmawan et al., 2019), (Suyanti & Hadi, 2019), (Mahdi et al., 2020), (Wiguna & Indraswarawati, 2022) and (Wi & Anggraeni, 2020) which states that motivation influences the interest in investing. Based on the description above, the authors formulate the hypothesis as follows:

H3: Motivation influences students' interest in investing in the capital market.

#### **4. The Influence of Information Technology on Students' Interest in Investing in the Capital Market**

Existing technology will bring up an ease in investing. The existing facilities will make the community, especially students, to invest. This will create greater opportunities for the community to invest (Wiguna & Indraswarawati, 2022). Technology promises change, progress, convenience and productivity. Technology will definitely change the pattern of individual daily activities. Technology is a symbol of progress. Anyone who is able to access technology, then he will experience little or much progress in one direction or another. Someone will not miss which information when he holds a technology.

Technology has influenced lifestyles, and even technology has also become a lifestyle itself. Today's technology, many securities companies have launched a Trading System (OTS), thus making them interested in investing in the capital market. Advances in technology make it easy to invest in the capital market, due to application support launched by securities companies. The online trading system facility is part of the application of technological advances, especially in the capital market sector to facilitate buying and selling transactions in the capital market. Technological developments are felt in the investment sector, where buying and selling of shares and stock information is easily obtained through information technology (Yusuf, 2019). This means that the more rapid progress in information technology, the easier it will be for investors to invest and with this ease it can encourage the interest of potential investors to have an interest in investing in the capital market.

This statement is supported by research (Sari et al., 2021), (Negara & Febrianto, 2020), (Yusuf, 2019), (Agestina et al., 2020), and (Larasati & Yudiantoro, 2022) which state that information technology influence investment intention. Based on the description above, the authors formulate the following hypothesis: H4: Information technology influences students' interest in investing in the capital market.

#### **5. The Effect of Financial Literacy on Students' Interest in Investing in the Capital Market**

The definition of financial literacy can be concluded that a process that regulates how well an individual's ability to understand financial concepts, apply and manage finances properly so that they can make investments (Darmawan et al., 2019). Bhushan and Medury (2013) in (Faidah, 2019) state that it is important to be able to obtain financial literacy because currently a lot of financial products are starting to emerge and an individual is required to be able to understand the risks and benefits of these financial products. It is from this financial literacy that individuals will be able to use financial services and products correctly according to the needs they want and are not easily deceived by criminals who often take advantage of someone's ignorance of finances for personal gain. This is where the role of financial literacy emerges, namely to help improve the quality of financial services so that they are better and can contribute to growing the economy and development of a country. A certain level of financial literacy is required to understand the risks associated with investment products, so this knowledge is important for investors to make financial decisions, especially important decisions such as long-term investments (Faidah, 2019)

According to Susdiani (2017) in (Darmawan et al., 2019), *good financial literacy will also motivate an individual to invest in many assets so that it is certain that the individual will plan his investment*. According to (Faidah, 2019) the better the level of one's financial literacy, the higher the investment interest and vice versa.

This statement is supported by research (Larasati & Yudiantoro, 2022) which proves that financial literacy has a significant effect on interest in investing in the capital market. The same results were also obtained from research conducted by (Bebasari & Istikomah, 2020), (Darmawan et al., 2019), (Faidah, 2019), and (Wi & Anggraeni, 2020). Based on the description above, the authors formulate the hypothesis as follows:

H5: Financial literacy affects students' interest in investing in the capital market.

### **3. Methodology**

This research is a quantitative research. The data used is primary data obtained by distributing questionnaires to active students at the Muhammadiyah University of Surakarta. Data were obtained from respondents' answers regarding statements which were the perceptions of Muhammadiyah University Surakarta students regarding the emergence of an interest in investing in the capital market. This study uses multiple regression analysis techniques. The sample for this study used a *purposive sampling* method with the following criteria: active students at the Muhammadiyah University of Surakarta class of 2017-2022. The population of this study were active students at the Muhammadiyah University of Surakarta, Class of 2017-2022. Based on data obtained from the Muhammadiyah Surakarta University Accreditation Star Website, it is known that the number of active students in class 2017 was 1173 students, class 2018 was 3,634, class 2019 was 7,228, class 2020 was 6,562, class 2021 was 6,766 students, and class 2022 was 7,056 students. Sampling was based on calculations by Hair et al (1995). According to calculations by Hair et al (1995) in (Sari et al., 2021) the sample is determined by the formula, number of samples = number of indicators x 5 to 10. In this study there were 21 indicators, so the number of samples used was:

Minimum sample = Number of indicators x 5  
 = 21 x 5  
 = 105 samples

This study used a sample of 123 respondents who were obtained from the number of respondents who filled out questionnaires that met the criteria, namely active students at the Muhammadiyah University of Surakarta. Yang \_consists from the 2017 class had 3 respondents, the 2018 class had 7 respondents, the 2019 class had 58 respondents, the 2020 class had 20 respondents, the 2021 class had 27 respondents, the 2022 class had 8 respondents.

**Variable Operational Definitions**

No	Variable	Indicator	Source
1	Investment interest (Y)	1. Investment information 2 questions 2. Promise return 1 question 3. Interesting investment 1 question	(Burhanudin et al., 2021)
2	Investment Knowledge (X1)	1. Importance of basic knowledge of investing 1 question 2. Basic understanding of investment 1 question 3. Basic knowledge of capital market 3 questions	(Burhanudin et al., 2021) and (Hati & Harefa, 2019)
3	Minimum capital (X2)	1. Capital IDR 100,000 1 question 2. Affordable investment 1 question 3. 1 lot 100 shares 1 question 4. Free in reducing and adding stock 1 question	(Burhanudin et al., 2021)
4	Motivation (X3)	1. Ownership of the company 1 question 2. Assist the development of the company. 1 question 3. The influence of the family environment 1 question 4. Needs fulfilled 1 question	(Burhanudin et al., 2021)
5	Information technology (X4)	1. Use of information technology 1 question 2. Benefits of information technology 3 questions 3. Ease of information technology 2 questions	(Agestina et al., 2020)
6	Financial literacy (X5)	1. basic knowledge of personal financial management 2 questions 2. knowledge related to savings and loans 3 questions 3. basic knowledge of insurance and insurance products 2 questions 4. knowledge of investment activities 2 questions	(Gunawan et al., 2021)

**Data analysis technique**

In this study using PLS-SEM which aims to test predictive relationships between constructs by seeing whether there is a relationship or influence between these constructs (Ghozali & Latan, 2015: 19) in (Budiarsi, 2020) . Techniques in SEM have advantages in analysis because they can explain the complex interrelationships of variables and the direct or indirect effects of one or several variables on other variables (Mustafa and Wijaya, 2012) in (Budiarsi, 2020) . The data analysis technique in this study used *Partial Least Square* (PLS) using *SMARTPLS software* . SMARTPLS is able to test SEM models with various forms of scales such as ratios, *Likert* and others (Harahap, 2018) . The PLS SEM model suitability measurement consists of *the outer model* and *the inner model* . The advantage of using *Partial Least Square* is that the number of samples needed in the analysis is relatively small, the SMARTPLS approach is considered more *powerful* because it is not based on various assumptions.

#### 4. Results and Discussion

##### PLS Program Scheme

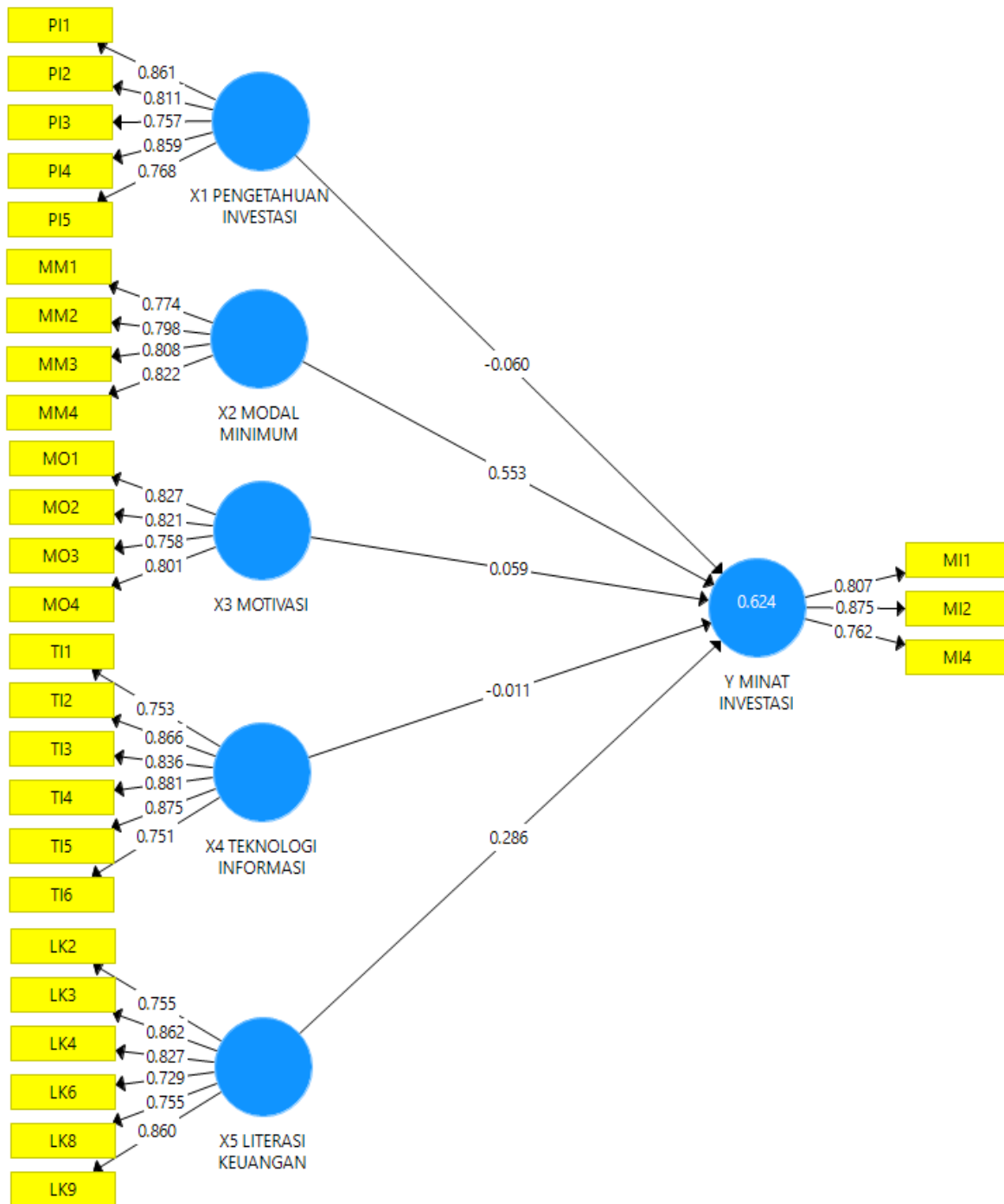


Figure 4.1 Outer Model

Outer model testing is used and carried out to determine the specification of the relationship between latent variables and their indicators, this test includes validity, reliability and multicollinearity. Elimination was carried out on question items LK1, LK5, and LK7 on variable X5 Financial Literacy and elimination on question items MI3 on variable Y Investment Interest . Elimination needs to be done because the outer loading value in the question does not meet the requirements where the value is less than 0.7.

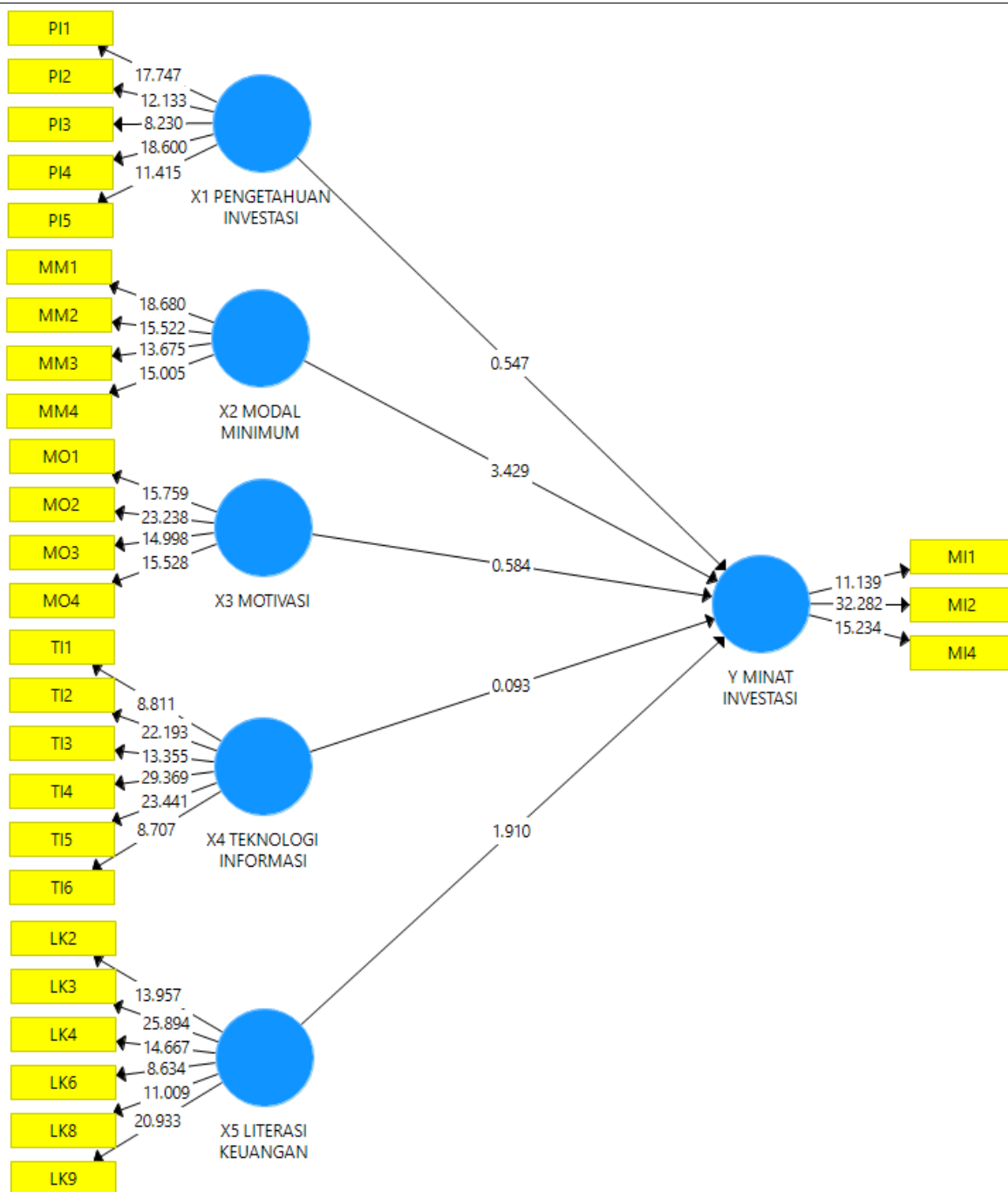


Figure 4.2 innermodel

Inner model testing can be done with three analyzes, namely measuring the value of R2 ( R-square ), Godness of Fit (Gof), and the path coefficient .

### Outer Model Analysis (Evaluation of Measurement Models)

#### a. Convergent Validity

An indicator is declared to meet *convergent validity* in the good category if the value is *outer loadings* > 0.7. The following is the *outer loading value* of each indicator on the research variables

**Table 4.1**  
**Outer Loadings Value**

Variable	Indicator	Outer Loadings	Information
<b>Investment Knowledge (X1)</b>	PI1	0.861	<i>Valid</i>
	PI2	0.811	<i>Valid</i>
	PI3	0.757	<i>Valid</i>
	PI4	0.859	<i>Valid</i>
	PI5	0.768	<i>Valid</i>
<b>Minimum Capital (X2)</b>	MM1	0.774	<i>Valid</i>
	MM2	0.798	<i>Valid</i>
	MM3	0.808	<i>Valid</i>
	MM4	0.822	<i>Valid</i>
<b>Motivation (X3)</b>	MO1	0.827	<i>Valid</i>
	MO2	0.821	<i>Valid</i>
	MO3	0.758	<i>Valid</i>
	MO4	0.801	<i>Valid</i>
<b>Information Technology (X4)</b>	TI1	0.753	<i>Valid</i>
	TI2	0.866	<i>Valid</i>
	TI3	0.836	<i>Valid</i>
	TI4	0.881	<i>Valid</i>
	TI5	0.875	<i>Valid</i>
	TI6	0.751	<i>Valid</i>
<b>Financial Literacy (X5)</b>	LK2	0.755	<i>Valid</i>
	LK3	0.862	<i>Valid</i>
	LK4	0.827	<i>Valid</i>
	LK6	0.729	<i>Valid</i>
	LK8	0.755	<i>Valid</i>
	LK9	0.860	<i>Valid</i>
<b>Investment Interest (Y)</b>	MI1	0.807	<i>Valid</i>
	MI2	0.875	<i>Valid</i>
	MI4	0.762	<i>Valid</i>

Source: Primary Analysis Data, 2023

Based on the table above, it is known that many of the research variable indicators each have an outer loading value of  $> 0.7$ . The data above shows that there are no variable indicators whose outer loading value is below 0.7, so that all indicators are declared feasible or valid for research use and can be used for further analysis. Apart from looking at the outer loading value, convergent validity can also be assessed by looking at the AVE (Average Variance Extracted) value  $> 0.5$  so that it can be said to be valid in terms of validity. convergent (Fornell & Larcker, 1981). The following is the AVE value of each variable of this study:

**Table 4.2**  
**Average Variance Extracted (AVE) Value**

Variable	Average Variance Extracted (AVE)	Information
<b>Investment Knowledge (X1)</b>	0.660	<i>Valid</i>
<b>Minimum Capital (X2)</b>	0.641	<i>Valid</i>
<b>Motivation (X3)</b>	0.644	<i>Valid</i>
<b>Information Technology (X4)</b>	0.687	<i>Valid</i>
<b>Financial Literacy (X5)</b>	0.640	<i>Valid</i>
<b>Investment Interest (Y)</b>	0.666	<i>Valid</i>

Source: Primary Analysis Data, 2023

Based on the table above, each variable shows an Average Variance Extracted (AVE) value  $> 0.5$  with a value of investment knowledge variable of 0.660, a minimum capital variable value of 0.641, a motivational variable value of 0.644, an information technology variable value of 0.687, a financial literacy variable value of



0.640, and the variable value of investment interest is  $r$  0.666. This shows that each of the research variables can be said to be valid with discriminant validity .

### b. Descripminant Validity

The *discriminant validity* test uses the *cross loading value* . An indicator is declared to meet *discriminant validity* if the indicator's *cross loading value* on the variable is the largest compared to other variables (Chin, 1998). The following is the *cross loading value* for each indicator

**Table 4. 3**  
**Cross Loading**

Indicator	Investment Knowledge (X1)	Minimum Capital (X2)	Motivation (X3)	Information Technology (X4)	Financial Literacy (X5)	Investment Interest (Y)
PI1	<b>0.861</b>	0.569	0.523	0.658	0.547	0.475
PI2	<b>0.811</b>	0.528	0.533	0.617	0.488	0.427
PI3	<b>0.757</b>	0.532	0.548	0.582	0.500	0.326
PI4	<b>0.859</b>	0.526	0.489	0.676	0.500	0.434
PI5	<b>0.768</b>	0.614	0.529	0.666	0.557	0.462
MM1	0.530	<b>0.774</b>	0.608	0.518	0.580	0.610
MM2	0.465	<b>0.798</b>	0.537	0.556	0.647	0.676
MM3	0.581	<b>0.808</b>	0.540	0.549	0.617	0.600
MM4	0.626	<b>0.822</b>	0.584	0.564	0.598	0.549
MO1	0.585	0.595	<b>0.827</b>	0.575	0.610	0.489
MO2	0.630	0.671	<b>0.821</b>	0.639	0.641	0.592
MO3	0.307	0.453	<b>0.758</b>	0.397	0.530	0.405
MO4	0.485	0.516	<b>0.801</b>	0.580	0.589	0.461
TI1	0.650	0.505	0.529	<b>0.753</b>	0.568	0.437
TI2	0.694	0.618	0.637	<b>0.866</b>	0.688	0.509
TI3	0.710	0.626	0.583	<b>0.836</b>	0.604	0.465
TI4	0.642	0.583	0.561	<b>0.881</b>	0.639	0.518
TI5	0.674	0.535	0.569	<b>0.875</b>	0.649	0.497
TI6	0.555	0.529	0.574	<b>0.751</b>	0.553	0.418
LK2	0.446	0.611	0.573	0.529	<b>0.755</b>	0.550
LK3	0.542	0.669	0.581	0.650	<b>0.862</b>	0.638
LK4	0.579	0.625	0.530	0.622	<b>0.827</b>	0.540
LK6	0.431	0.506	0.521	0.563	<b>0.729</b>	0.506
LK8	0.509	0.540	0.688	0.604	<b>0.755</b>	0.576
LK9	0.552	0.709	0.663	0.608	<b>0.860</b>	0.567
MI1	0.391	0.619	0.405	0.427	0.566	<b>0.807</b>
MI2	0.522	0.672	0.610	0.538	0.668	<b>0.875</b>
MI4	0.371	0.578	0.485	0.433	0.483	<b>0.762</b>

Source: Primary Analysis Data, 2023

Based on the data presented in the table above, it can be seen that each indicator on the research variable has the largest *cross loading value* on the variable it forms compared to the *cross loading value* on other variables. Based on the results obtained, it can be stated that the indicators used in this study have good *discriminant validity* in compiling their respective variables.

### c. Reliability Test

The reliability test shows the level of consistency and stability of measuring instruments or research instruments in measuring a concept or construct (Abdillah and Hartono, 2015). Reliability testing in this study used Composite Reliability and Cronbach Alpha.

*Composite reliability* is used to measure the reliability of a construct. The contract is declared reliable if *composite reliability* has a value  $> 0.7$ , then the construct is declared reliable. The SmartPLS *output* results for *composite reliability values* can be shown in the table:

**Table 4.4**  
**Composite Reliability**

Variable	Composite Reliability	Information
Investment Knowledge (X1)	0.906	Reliable
Minimum Capital (X2)	0.877	Reliable
Motivation (X3)	0.878	Reliable
Information Technology (X4)	0.929	Reliable
Financial Literacy (X5)	0.914	Reliable
Investment Interest (Y)	0.856	Reliable

Source: Primary Analysis Data, 2023

Based on the table above, each variable has *composite reliability* > 0.7 with an investment knowledge variable value of 0.906, a minimum capital variable value of 0.877, a motivational variable value of 0.878, an information technology variable value of 0.929, a financial literacy variable value of 0.914, and an interest variable value investment of r 0.856. This shows that each variable used in this study can be said to be reliable.

The last reliability test is *Cronbach's alpha (alpha)* where this test is a statistical technique used to measure internal consistency in instrument reliability tests or psychometric data. According to Cronbach (1951), a construct is said to be reliable if the *Cronbach alpha value* is more than 0.60. Below are the results of the *Cronbach alpha values* which will be displayed in the following table:

**Table 4.5**  
**Cronbach's Alpha**

Variable	Cronbach's Alpha	Information
Investment Knowledge (X1)	0.871	Reliable
Minimum Capital (X2)	0.813	Reliable
Motivation (X3)	0.817	Reliable
Information Technology (X4)	0.908	Reliable
Financial Literacy (X5)	0.886	Reliable
Investment Interest (Y)	0.748	Reliable

Source: Primary Analysis Data, 2023

Based on the table, it shows that all *Cronbach alpha results* have a value above 0.60, which means that the *Cronbach alpha value* meets the requirements so that all constructs can be said to be reliable.

#### d. Multicollinearity Test

The multicollinearity test can be seen from the *tolerance value and variance inflation factor (VIF)*. *Multicollinearity can be detected by a cut-off value* which indicates a *tolerance value* > 0.1 or the same as a VIF value < 5. Below are the VIF values in this study.

**Table 4.6**  
**Collinearity Statistics (VIF)**

Variable	Investment Interest (Y)
Investment Knowledge (X1)	3,008
Minimum Capital (X2)	3,004
Motivation (X3)	2,687
Information Technology (X4)	3,694
Financial Literacy (X5)	3,477
Investment Interest (Y)	

Source: Primary Analysis Data, 2023

From the table above, the results of the *Collinearity Statistics (VIF)* to see the multicollinearity test with the results of the investment knowledge variable on investment interest are 3,008, for the value of the minimum capital variable to investment interest of 3,004, for value the motivation variable on investment interest is 2,687, the information technology variable value on investment interest is 3,694, and the value of financial literacy variable on investment interest is 3,477. Each variable has a cut off value > 0.1 or equal to a VIF value < 5, so this does not violate the multicollinearity test.

**Inner Model Analysis (Structural Model Evaluation)**

**a. Model Goodness Test ( Goodness of Fit )**

The goodness-of-fit test of this model consists of two tests, namely R-Square ( $R^2$ ) and Q-Square ( $Q^2$ ). The *R Square* value indicates the determination of the exogenous variable on the endogenous variable. The greater the *R Square value*, the better the level of determination.  $R^2$  values of 0.75, 0.50, and 0.25 can be concluded that the model is strong, moderate, and weak (Imam Ghozali, 2015). The value of the coefficient of determination can be shown in the following table:

**Table 4.7**  
**R Square ( $R^2$ )**

Variable	R Square	Information
Investment Interest (Y)	0.624	Moderate

Source: Primary Analysis Data, 2023

Based on the table above, *R square* is used to see the magnitude of the influence of investment knowledge, minimum capital, motivation, information technology, and financial literacy on investment interest variables with a value of 0.624, it can be stated that it has a moderate (medium) value.

The next test is the *Q-Square test*. The value of  $Q^2$  in testing the structural model is done by looking at the value of  $Q^2$  (*Predictive relevance*). The  $Q^2$  value can be used to measure how well the observed values produced by the model are also the parameters. The value of  $Q^2 > 0$  indicates that the model has *predictive relevance*, while the value of  $Q^2 < 0$  indicates that the model lacks *predictive relevance*.

**Table 4.8**  
**Q Square ( $Q^2$ )**

Variable	SSO	SSE	$Q^2 (=1-SSE/SSO)$	Information
Investment Knowledge (X1)	615,000	615,000		
Minimum Capital (X2)	492,000	492,000		
Motivation (X3)	492,000	492,000		
Information Technology (X4)	738,000	738,000		
Financial Literacy (X5)	738,000	738,000		
Investment Interest (Y)	369,000	228,640	0.381	Good

Source: Primary Analysis Data, 2023

Based on the results of the calculation above, a  $Q^2$  value of 0.381 is obtained. This value explains that the diversity of the research data can be explained by the research model of 38.1% while the remaining 61.9% is influenced by other variables outside the research. Thus the value of  $Q^2 > 0$  indicates that the model has good *goodness of fit*.

**b. Hypothesis testing**

Testing the hypothesis in this study can be seen in the path coefficient value for direct influence. Test the path coefficient by using the *bootstrapping* process to see the *t statistics* or *p values (critical ratio)* and the *original sample values* obtained from the process.

*p value* < 0.05 indicates that there is a direct or indirect effect, while the *p value* > 0.05 indicates that there is no direct or indirect effect. In this study, the significance value used was the *t-statistic* of 1.96 (*significant level* = 5%). The value of testing the hypothesis of this study can be shown in the following table:

**Table 4.9**  
**Path Coefficient (Direct Effect)**

Variable	Original Sample	T Statistics	P Values	Information
Investment Knowledge -> Investment Interest	-0.060	0.541	0.588	H1 is rejected
Minimum Capital -> Investment Interest	0.553	3,348	0.001	H2 is accepted
Motivation -> Investment Interest	0.059	0.552	0.581	H3 is rejected
Information Technology -> Investment Interest	-0.011	0.095	0.925	H4 is rejected
Financial Literacy -> Investment Interest	0.286	1937	0.053	H5 is rejected

Source: Primary Analysis Data, 2023

Based on the test results, the following results were obtained:

### **1. Investment Knowledge (X1)**

Based on the test results, it shows that *the t-statistic value* is 0.541 and *p-value* of 0.588. From these results, *the t-statistic was*  $> 1.96$  and *p-value*  $> 0.05$ . So it can be concluded that H1 is rejected where there is no significant effect between investment knowledge on investment interest. Although most of the respondents already know and have good investment knowledge, their investment understanding does not affect their investment interest. This shows that the investment knowledge they have regarding the type of investment, investment benefits and investment risks is not considered by students to invest in the capital market. This can also be caused by the low awareness of students about the importance of investing, especially with an understanding of high investment risks that can also affect their interest in investing. Therefore adequate knowledge needs to be developed again so that they can understand investment better and can minimize losses in investing. The research results are in line with research conducted by (Haidir, 2019), (Sari et al., 2021) and (Lubis, 2019) which states that investment knowledge has no effect on student investment interest in the capital market.

### **2. Minimum Capital (X2)**

Based on the test results, it shows that *the t-statistic value* is 3.348 and *the original sample* is positively charged with a *p-value* of 0.001. From these results, *the t-statistic was*  $> 1.96$  and *the p-value*  $< 0.05$ . So it can be concluded that H2 has a positive and significant influence between minimum capital on investment interest. *The theory of planned behavior* explains that attitudes can influence a person's behavior in making decisions, and minimal capital is a consideration before investing which can affect a person's investment intention. The existence of a low minimum capital can attract students to invest in the capital market. The smaller the minimum capital provided by companies to investors has an effect on students' interest in investing in the capital market, because the smaller the minimum capital will attract students' interest in investing in the capital market. The results of this study are in line with research (Sari et al., 2021), (Agestina et al., 2020) and (Larasati & Yudiantoro, 2022) which conclude that minimum capital affects students' interest in investing in the capital market.

### **3. Motivation (X3)**

Based on the test results, it shows that *the t-statistic value* is 0.552 and *p-value* of 0.581. From these results, *the t-statistic was*  $> 1.96$  and *p-value*  $> 0.05$ . So it can be concluded that H3 is rejected where there is no significant effect between motivation on investment interest. Investors are motivated to invest in fulfilling their own needs (success and return) as well as helping economic development in affiliation with issuers or public companies. Someone who has funds that exceed their needs will think about utilizing these funds, Kusmawati (2011) in (Hati & Harefa, 2019). It is possible that students at the Muhammadiyah University of Surakarta are more likely to have the confidence not to follow friends or also known as the bandwagon effect. Then from the point of view of self-fulfillment it is possible that Muhammadiyah University Surakarta students do not think too much about using funds more than fulfilling their necessities of life. The results of this study are in line with research (Hati & Harefa, 2019) and (Aini et al., 2019) which concluded that motivation has no effect on students' interest in investing in the capital market.

### **4. Information Technology (X4)**

Based on the test results, it shows that *the t-statistic value* is 0.095 and *p-value* of 0.925. From these results, *the t-statistic was*  $> 1.96$  and *p-value*  $> 0.05$ . So it can be concluded that H4 is rejected where there is no significant influence between information technology on investment interest. Student interest in investing cannot be influenced by information technology. Even though there is ease in making investments due to technology, it still cannot foster student interest. The fear of loss causes students to still not want to invest even though various easy accesses are available. The results of this study are in line with research (Wiguna & Indraswarawati, 2022) and (Atika & Arizal Nilwan, 2022) which concluded that information technology has no effect on students' interest in investing in the capital market.

### **5. Financial Literacy (X5)**

Based on the test results, it shows that *the t-statistic value* is 1.937 and *p-value* of 0.053. From these results, *the t-statistic was*  $> 1.96$  and *p-value*  $> 0.05$ . So it can be concluded that H5 is rejected where there is no significant effect between financial literacy on investment interest. This shows that if financial literacy increases, interest in investing will not increase either. Financial literacy is the ability to read, evaluate and manage personal finances. However, with financial literacy, one does not necessarily have an interest in financial literacy investing in the capital market, this is because if someone has high financial literacy, they are more

likely to consider the returns and risks they get. The results of this study are in line with research (Viana et al., 2022) and (Ayuningdiah et al., 2022) which shows the results that financial literacy has no effect on student investment interest in the capital market.

## 5. Conclusion

The conclusions of this study are as follows:

1. Investment knowledge is not effect on student investment interest in the capital market .
2. Minimum capital significant positive effect on student investment interest in the capital market.
3. Motivation not effect on student investment interest in the capital market .
4. Information technology is not influence on student investment interest in the capital market.
5. Financial literacy is not influence on student investment interest in the capital market.

## 6. Suggestion

Suggestions for further research are as follows:

1. Future research can distinguish between respondents who already have investment knowledge and those who do not .
2. Future research can increase the number of samples in order to provide greater possibilities and show accurate results, and can examine other factors that influence interest in investing in the capital market such as expected return, income so as to provide more comprehensive results .

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