

Descriptive Study of the Choice of Capital Market Investment Instruments by Christian Students at Jenderal Soedirman University

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Abstract: This study aims to determine the choice of capital market investment instruments by Christian students at Jenderal Soedirman University. The selection of Christian students as research participants were based on a preliminary survey which found that their religious background did not prohibit investing in the capital market. Based on the 25 completed questionnaires, it was identified that there were 9 participants who had invested in the Indonesian capital market. The results of the study show that the most chosen investment instrument is mutual funds, followed by stocks, and finally bonds. The average participant has more than 1 investment portfolio. Thus, the research findings provide support that mutual funds are the lowest-risk capital market investment instrument. In addition, it is important for investors to have more than 1 investment portfolio, this is in accordance with the finding that one of the most important factors in investing is risk.

Keywords: investment decision, investment instrument, investment portfolio, capital market

1. Introduction

The investment world is currently experiencing a lot of development. One of the things that support development is the existence of a capital market. A capital market is a place for companies that need capital to meet with the public or potential investors who will invest their capital. From time to time, the capital market, including in Indonesia, is getting better, and the management and government regulations are being improved so that it no longer causes problems that could shake up the country's economy.

Generally, investment can be divided into two types, namely investments in certificates of ownership (shares) and investments in debt securities (bonds)[1]. But over time, mutual funds emerged which were nothing but a mix of stocks and bonds. Each investment certainly has its strengths and weaknesses.

Plunging into the world of investment today is very easy and cheap. In Indonesia, currently, IDR 50,000 can be used to invest in the capital market. Various investment programs and products are marketed by existing securities. Not to mention the availability of investment galleries spread across universities, making it easier for those wishing to invest in the capital market to make it easier.

Jenderal Soedirman University is one of the many universities that have an investment gallery. The existence of this investment gallery is a means to support academics, especially in Purwokerto, to get involved in the world of capital markets. Besides that, teaching capital market courses to economics and business students at Jenderal Soedirman University is an important thing that can influence investment decision-making. However, not all students want to be involved in investing in the capital market. It's no secret that there are still certain groups who are antipathetic and consider that investment instruments are not in accordance with their religious beliefs. Therefore, it is interesting to conduct a study that examines the choice of capital market investment instruments by students. The students who were involved in this study were those who were not anti-certain about the capital market and coincidentally were Christians.

2. Literature Review

2.1 Investment Decision

Investing is a sacrifice in the present that is made with the aim that in the future you can get greater benefits[2]. Investment decisions are policies that investors have to choose or determine where their investment funds will be invested. There are many options or places that investors can use to invest in the hope of getting profits for the coming period. With the increasing number of investment products, investment is becoming very complex, especially for ordinary investors who donot really understand the ins and outs of investing. Before

investing, investors must have a strategy to achieve the expected goals and also understand the risk factors that will affect their investment, because each option has its own risks[3].

2.2 Investment Instrument

The types of investment instruments are growing, but the most widely known are stocks, bonds, and mutual funds. One of the most popular investment instruments in the capital market is stock. In terms of the issuing company, shares allow the company to obtain funding from the public or investors. Meanwhile, from the investor's point of view, stocks are the preferred investment instrument because they allow for profit at an attractive rate[4]. Furthermore, there are investment instruments called debentures or also known as bonds. Like stocks, bonds are also securities that are listed on the stock exchange, it's just that they are classified as debt securities. Bonds can be described as debt instruments with medium-term or long-term transferable investment duration, containing a promise from the issuer to pay interest in return for a certain period and pay off the principal at a predetermined time to the buyer of the bond. Generally, there are bonds issued by corporations and the state[5]. Meanwhile, mutual funds are defined as a vehicle that is used to collect funds from public investors to be managed by investment managers by investing them in securities portfolios. Referring to the Capital Market Law no. 8 of 1995, article 1 paragraph (27) defines that mutual funds are a vehicle used to raise funds from public investors to be invested in securities portfolios by investment managers[6].

2.3 Investment Portfolio

An investment portfolio is holding stocks, bonds, or other financial assets with the expectation that they will receive returns and or grow in value over a period of time. Generally, there are two main categories of investment portfolios, the first is strategic investing which involves buying financial assets for potential long-term growth and/or income returns, with the intention of holding the assets for a long time, while the second is a tactical approach which requires buying and selling activities actively with the hope of achieving profits in the short-term[7]. However, the composition of the investment portfolio depends on many factors, while the most important factors are the level of investor tolerance for risk and time constraints in investing. However, in general, the diversification that is carried out by investors correctly will eliminate the effect of variance, so that the risk of the investment portfolio will be smaller [8].

3. Research Method

3.1 Population and Sample

The population in this study were economics and business students who had the opportunity to attend capital market lectures at Jenderal Soedirman University. Students who are the target of this research are those who are not antipathetic towards investment instruments in the capital market because there are still people who think that investing in the capital market is contrary to their religious beliefs. Therefore, the research sample chosen as the research participant is a student who adheres to the Christian religion and does not have antipathy towards the capital market.

3.2 Data Collection Technique

Research data was collected by distributing questionnaires to potential participants. The distributed questionnaires contained questions related to biodata and information seeking about investment experience in the capital market. Furthermore, based on the suitability of the sample identification, structured interviews were conducted with the selected participants, namely those who had experience investing in the capital market. Collecting data through interviews allows participants to provide historical and useful information when participants cannot be observed directly[9].

3.3 Data Analysis Technique

This research uses a qualitative approach with a descriptive study design. Descriptive research is research that aims to describe and interpret something, for example, situations and conditions with existing relationships, opinions that develop, consequences or effects that occur, and so on[10]. The descriptive study design makes the data collected for this research in the form of words, pictures, and not numbers[11]. Furthermore, the data that has been collected through questionnaires and interviews are presented in an easy-to-understand form, as well as an analysis and interpretation of the existing data.

4. Results and Discussion

4.1 Profile of Research Participants

The results of the data search found that there were 9 participants who could be involved in the study. Table 1 displays a description of the research participants. It can be seen that most of the participants, namely 6 people (66.7%) were male, while the other 3 participants (33.33%) were female. Most of the participants, namely 7 people (77.78%) had invested in the capital market for more than 1 year, while there were only 2 people (22.22%) who had invested in the capital market for under 1 year. 8 participants (88.89%) experienced gains and losses while investing, while only 1 participant (11.11%) experienced only gains in investing.

Table1:Profile ofResearch Participants

Description	Sum	Proportion
Sex:		
Male	6	66.67%
Female	3	33.33%
Investment time:		
< 1 year	2	22.22%
≥ 1 year	7	77.78%
Investment experience:		
Gain	1	11.11%
Gain and Loss	8	88.89%

4.2 Research Results

Table 2 displays a summary of the data on the method of decision-making, the choice of investment instruments, and the number of investment portfolios owned by research participants. It can be seen that all participants have made investment decisions after conducting an analysis of investment instruments. There are 3 people who make investment decisions after doing fundamental analysis, 3 people after doing technical analysis, and 3 others after doing fundamental and technical analysis. The choice of investment instruments was dominated by a combination of stocks and mutual funds (there were 6 people), 2 other people chose pure stock investments, while there was only 1 person who only invested in mutual funds. Thus, it can be concluded that stocks are the most preferred investment instrument, followed only by mutual funds. In terms of the number of investment portfolios owned, it turns out that all participants have more than 1 investment instrument.

Table2:Decision-Making Method, Choice of Investment Instrument, and Total Investment Portfolio

Participant	Decision-making method	Choice of Investment Instrument	Total Investment Portfolio
1	Fundamental and technical analysis	stock and mutual fund	3
2	Fundamental analysis	mutual fund	2
3	Fundamental analysis	stock and mutual fund	4
4	Fundamental and technical analysis	stock and mutual fund	2
5	technical analysis	stock	10
6	Technical analysis	stock and mutual fund	2
7	Fundamental analysis	stock and mutual fund	2
8	Technical analysis	stock	5
9	Fundamental and technical analysis	stock and mutual fund	7

4.3 Discussion

The finding that investment decision-making is carried out through fundamental, technical analysis, as well as a combination of the two, does not indicate that one method is more popular than the other. These results do not provide confirmation of previous research which states that fundamental analysis is more difficult to do than technical analysis[12]. The difficulty of doing fundamental analysis is reflected in the statement of Participant 5 who said:

“Company profile...mmh...my father actually told me too,...but not the financial reports, I haven't been taught that far to me.”

The finding that the choice of investment instruments is dominated by a combination of stocks and mutual funds compared to only one type of investment instrument provides evidence that investors are not

willing to take risks that are too high due to not having a well-distributed portfolio. Likewise, if the number of investment portfolios is more than 1, it shows that investors prefer portfolios that have more portfolios so that potential losses in one instrument can be minimized by the profits obtained through other investment instruments. As stated by Participant 4 regarding the selection of stocks and mutual funds as the chosen investment instruments:

“Stocks were chosen because they can be used for the long term, if mutual funds don't go down, it guarantees 100% of our money back and our money can keep going up.”

While Participant 6 gave the following statement:

“stocks with a higher risk... there are those that I released (sold) because the price went down a bit, after making a profit, it's better to release it to look for safety.”

Then Participant 7 made a statement like this:

“actually still hoping to go up, but after 3 months the value hasn't changed, what happened actually went down, so in the end I just took the money.”

Investors' perceptions of risk do in fact influence investment decision-making, as previous research findings suggest that investors need to be careful in making investment decisions in the capital market[13]. In the end, the results of the analysis of research results indicate that investment decisions are subjective actions, but based on subjective and objective factors. Risk is an important component of every investment, so it needs to be analyzed in such a way before finally making an investment decision[14].

5. Conclusion

Investment decisions are taken on the basis of considering the risk factors of each investment instrument. The most chosen investment instrument is a combination of stocks and mutual funds. The selection of a combination of investment instruments is aimed at minimizing potential losses from the existence of several investment amounts owned. Even though this research was conducted on students with a Christian background, it does not mean that the results of this study were meaningless. At least the research results provide an indication that the world of capital markets is now starting to be in demand by young people with the aim of getting potential profits from various types of investment products that are traded.

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Author Profile



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