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# The Role of Profit Perception, Firm Capital and Investment Knowledge on Intention to Invest in Sharia Stocks

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#### Abstract

This study aims to determine the effect of firm capital, profit perception, and investment knowledge on intention to invest. This study uses a quantitative approach. The objects in this study are Firm Capital, Profit Perception, and Investment Knowledge for the variable Intention to Invest. The sample in this study amounted to 72 respondents using a questionnaire as a means of measuring data through the Whatsapp group. The analysis technique in this study used the SPSS on multiple linear analysis. The results of this study indicate that the Firm Capital variable has a significant effect on the Intention to Invest with a calculated t value greater than t table. Profit Perception significantly affects the Interest in Investing with a t count greater than t table. The Investment Knowledge Variable significantly influences the Intention to Invest with a t count greater than t table. While the variables Firm Capital, Profit Perception, and Investment Knowledge affect the Intention to Invest simultaneously. So it can be concluded that there is an influence between the variables Firm Capital, Profit Perception, and Investment Knowledge on Intention to Invest.

## Keywords: firm capital, profit perception, investment, intention to invest.

## **INTRODUCTION**

Investment is an agreement by investing a certain amount of capital to be used as business capital for a company with the hope of getting profits in the future. Investment can be defined as delaying present desires in order to realize future profits. The term investment according to society In general, interpreting investment as the purchase of goods or objects whose value increases, such as: gold, houses, land or buildings (Andriani & Pohan, 2019).

Basically, investment is divided into two types, namely investment in real assets and investment in financial assets. In these two forms of investment, William F. Sharpe, et all., emphasized that, in the ancient economy, almost all of them used real types of investment. Whereas in the modern economy, more financial investments are made. Financial goals can be obtained by having real or financial types of investment (Hermanto, 2017).

One of the reasons for planning finances with investment is to beat the inflation rate which increases every year. Inflation can be said to be a decrease in the value of a currency. Therefore, the investment aims to increase the value of the capital that has been invested by enjoying profits in the future. Based on data from Bank Indonesia, currently in February 2023 inflation in Indonesia has touched 5.47%, which means that all prices for basic and non-basic needs will increase by 5.47%. 6 All of this is motivated by a decline in the value of the currency.

Investment in the capital market has several instruments, namely mutual funds, bonds and stocks. Investing in stocks became the superior investment instrument during the Covid 19 pandemic. Where Covid 19 made stock prices drop and this was used by investors to buy stocks. An investment alternative that promises high returns with high risks is investing in stocks. The characteristics of someone who is interested in investing can be identified by how much effort they make to find out about a type of investment, starting from advantages, disadvantages, investment performance, and so on. In addition, they will tend to try to take the time to learn more about the investment or immediately try to invest in the chosen investment instrument (Kusmawati, 2011).

There are many reasons why you are not interested in investing in stocks, including high risk, lack of understanding of investment, and fear of large investment capital. Speculation often occurs in investing, namely investing in shares without knowing the condition of the shares being purchased, or it can be called a gharar transaction (Fahmi & Hadi, 2009). Perceived gains affect investors' interest in investing. This is related to the condition of everyone who wants to get more income from investment. There are two views regarding investment prevailing in today's society. First, investment is considered as a desire and secondly investment is considered as a need. Someone who invests in stocks will get two benefits, namely Capital Gains and Dividends (Mulyana, 2019).

Capital gains are usually used for short-term investors, which are profits based on rising stock prices. Meanwhile, dividends are used for long-term investors, whose profits come from sharing company profits with shareholders within one year. With these two advantages, stocks have become a popular investment instrument (Saputra, 2018). But that doesn't mean that this stock always experiences profits, there will be times when the stock price goes up and down. There is often a problem where investors think that investing in stocks will always be benefit. So that it will justify any means to be able to buy shares, such as selling houses, selling cars, selling land with the assumption that the capital will get a lot of profit if it is placed in shares. Fluctuating stock market conditions require investors to learn a lot (Suharyat, 2009). High knowledge will make it easier for an investor to place their funds in investment instruments that have a profitable value. Profitable is defined as the condition of a company that has bright prospects and brings profits in the future (Pajar & Pustikaingsih, 2017).

The purpose of this study was to determine the effect of firm capital on the interest in investing, to determine the effect of perceived profit on the interest in investing, to determine the effect of investment knowledge on the interest in investing and to determine the effect of minimum capital, perceived profit, and investment knowledge together on interest in investing.

#### **METHOD**

The population is a group of people who have activities or do everything that has certain characteristics. Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The population is the entire object under study. The population in this study were members of the Beginner Stock Investor (BSI) community, totaling 250 people. Sampling from this study used the non-probability sampling method, namely a sampling method that does not provide equal opportunities or opportunities for each member of the population to be selected as a sample. The method of determining the sample in this study used a purposive sampling method, namely taking samples with certain considerations by distributing questionnaires whatsapp group which confirmed that the group members were members of group and understood stock investment. In determining the number of samples taken using the slovin method, namely with an error of 10% or 0.1. In this study the data

collection method used was a questionnaire method with a Google form. The questionnaire is a data collection technique that is carried out by giving a set of statements to the respondents to answer. The scale used in this study is the Likert scale. The Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. With a Likert scale, the variables to be measured are translated into variable instruments. Then these variables are used as benchmarks for compiling indicator items in the form of statements of each variable. Research instruments that use a Likert scale are made in the form of a checklist or multiple choice. The questionnaire in this study was used to determine whether or not there was an effect of minimal capital, perceived profit, and investment knowledge on interest in investing in Islamic stocks.

This study uses a descriptive quantitative data analysis method, namely the data used in this study aims to prove whether there is an influence between the variables of minimum capital, perceived profit, and investment knowledge on interest in investing in stocks. Descriptive statistics are intended to analyze data according to the results of the questionnaire responses for each variable size indicator. Before carrying out a regression analysis, it is necessary to test the classical assumptions first, so that the processed sample data can truly represent the population as a whole. The classic assumption test in this study includes multicollinearity tests, heteroscedasticity tests, and normality tests. Partial hypothesis testing is intended to determine whether or not there is an influence between the independent variables on the dependent variable. If the significance value is > 0.05, then H0 is accepted and H1 is rejected, meaning that the variables of minimum capital, perceived profit, and investment knowledge do not have a significant effect on the interest in investing. If the significance value is < 0.05, then H0 is rejected and H1 is accepted, meaning that the variables of minimum capital, perceived profit, and investment knowledge have a significant effect on the interest in investing.

#### **RESULT AND DISCUSSION**

From the test results using SPSS, the constant value (a) has a positive value of 1.368. The positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable. This shows that if all the independent variables include minimum capital (X1), perceived profit (X2), and investment knowledge (X3) are 0 percent or do not change, then the interest in investing is 1.368.

The minimum capital variable regression coefficient (X1) has a positive value of 0.826. This shows that if the minimum capital increases by 1%, the interest in investing will increase by 0.826 assuming the other independent variables are held constant. The positive sign means that it shows a unidirectional effect between the independent variables. The regression coefficient value of the perceived gain variable (X2) has a positive value of 0.535. This shows that if the perception of profit increases by 1%, the interest in investing will increase by as much 0.535 assuming the other independent variables are considered constant. The positive sign means that it shows a unidirectional effect between the independent variables and the variables.

The regression coefficient value of investment knowledge variable (X3) has a positive value of 0.410. This shows that if investment knowledge increases by 1%, interest in investing will increase by 0.410 assuming the other independent variables are held constant. The positive sign means that it shows a unidirectional effect between the independent variables and the variables. The regression coefficient value for the education variable (X4) is -.095. This value shows a negative effect (opposite direction) between education as a control variable and interest in investing in sharia stocks. This means that the level of education does not affect interest in investing. The results of the study show that the minimum capital variable has an

influence on the interest in investing in Islamic stocks. As shown in table, the calculated T value for the minimum capital coefficient is 3.679 while the T table is 1.995. From the results of these calculations, it turns out that the value of T count > T table, which is 3.679 > 1.995 and the significance value is 0.001 where if the significant value is below 0.05 it means that the minimum capital variable has a significant effect on the interest in investing in Islamic stocks. So the hypothesis that can be concluded is that there is a significant effect between minimum capital on investment interest. The results of the study show that the perceived gain variable has an influence on investment intentions. the calculated T value on the perceived profit coefficient is 5.213 while the t table is 1.995. From the results of these calculations, it turns out that the value of T count > T table, which is 5.213 > 1.995 and the significance value is 0.001 where if the significant value is below 0.05 it means that the profit perception variable has a significant effect on the interest in investing in Islamic stocks. So the hypothesis that can be concluded is that there profit perception variable has a significant effect on the interest in investing in Islamic stocks. So the hypothesis that can be concluded is that there is a significant effect on the interest in investing in Islamic stocks. So the hypothesis that can be concluded is that there is a significant influence between the perception of profit on investment intention. The results showed that the investment knowledge variable had an influence on the intention to invest in Islamic stocks.

The calculated T value on the investment knowledge coefficient is 2.074 while the t table is 1.995. From the results of these calculations, it turns out that the value of T count > T table, which is 2.074 > 1.995 and the significance value is 0.042 where if the significant value is below 0.05 it means that the investment knowledge variable has a significant effect on the interest in investing in Islamic stocks. So the hypothesis that can be concluded is that there is a significant influence between investment knowledge. The results of the study show that the education variable has no effect on the intention to invest in Islamic stocks. The significance value is 0.753 where if the significant value is above 0.05 it means that the education variable has no significant effect on the interest in investing in Islamic stocks. So that the concluded hypothesis is that there is no significant effect between education on investment intention.

## CONCLUSION

The conclusion of this study is the Firm Capital Variable (X1) has the calculated t value is greater than the t table value which means that H1 is accepted. So it can be concluded that Firm Capital significantly affects the Interests of Members in Investing. Profit Perception Variable (X2) has a calculated t value is greater than the t table value which means H1 is accepted. So it can be concluded that Profit Perception significantly affect the Interest of members in Investing at stocks. The investment knowledge variable (X3) has a calculated t value is greater than the t table which means that H1 is accepted. So it was concluded that Investment Knowledge significantly influences the Interest of members in investing at stocks. Based on the results of the F test, the variables Firm Capital, Profit Perception, and Investment Knowledge have an influence on the Intention to Invest simultaneously with a significance level value of 0.001 < 0.05 and the calculated F value is greater than the F table value. Firm Capital, Profit Perception, and Investment Knowledge variables have an positive effect on Intention to Invest. The remainder of these results is influenced by other variables not examined in this study. Recommendation of future research is suggested to add other variables that affect members' interests. Future research is suggested to take a different location or expand the range of research locations.

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