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The Effect of Risk Preference on Students' Interest in Investing in Sharia Products in the Capital Market: Application of Theory of Planned Behavior

(Case Study on Accounting Students at Muhammadiyah University Surakarta Class of 2018-2019)

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Abstract: This study aims to determine the effect of attitudes, subjective norms, and behavioral control on interest in investing in sharia products in the capital market. The author also adds one other variable that might influence interest in investing in sharia products in the capital market. The population used in this study were students of the Accounting Study Program, Faculty of Economics and Business, Muhammadiyah University, Surakarta, Class of 2018-2019. In collecting data using a questionnaire with a sampling technique using purposive sampling method. The number of samples collected was 122 students. The regression model used in this study is a multiple linear regression model with the help of SPSS 25. The results of this study indicate that attitudes, subjective norms, and behavioral control has a significant positive effect on students' interest in investing in sharia products in the capital market. And interest has a significant positive effect on investing behavior. Meanwhile, risk preference has no significant effect on students' interest in investing in sharia products in the capital market.

Keywords: Theory of Planned Behavior, Attitude, Subjective Norm, Behavior Control, Risk Preference, Investment Interest, Investing Behavior.

I. INTRODUCTION

In the current era, investment has become interesting and popular among the public and students. Of course, this has a positive effect because remembering the reason it is important to invest early so that we can protect asset values from inflation as early as possible which causes a decrease in our purchasing power. There are several types of investments, including deposits, stocks, bonds, mutual funds, gold, property, and cryptocurrencies. The concept of Islam also recommends always investing, of course, based on Islamic norms and knowledge. Until now, many sharia investment products have been offered to the public, of course, in accordance with Islamic norms and sharia.

Interest is one of the dimensions in the affective aspect that causes a person to have a preference for an activity more than other activities with different intensities, from weak, moderate to strong. With the increasing variety of sharia investment facilities and products, it is hoped that the public will have investment alternatives that are considered according to their wishes and will further enlarge the role of the sharia capital market. As one of the countries with the largest number of Muslims, this is of course very supportive to further increase public and student interest in investing in sharia products in the capital market.

According to the Theory of Planned Behavior or the theory of planned behavior put forward by(Ajzen, 1991)it is said that a person's intention towards behavior is formed by two main factors, namely attitudes towards behavior, and subjective norms. Then the theory is deepened again by(Ajzen, 2010)in(Luky, 2016)said that in addition to the two

main factors that can influence a person's intention to behave, there is one more belief that can direct a person's actions, namely belief in control or control or control of behavior.

According to(Alleyne & Broome, 2011)in(Mahyuni, 2022)besides attitudes, subjective norms, and behavioral controls, there are risk preferences that also affect investment intentions. Risk preference is a person's tendency to act when he is faced with a risky situation, or it can also be said as a decision maker's attitude towards a risk when investing.

Based on the concept of Theory of Planned Behavior introduced by(Ajzen, 1991)explains that behavior is carried out because individuals have an interest in doing so and carry out these activities of their own volition. The application of the Theory of Planned Behavior in this study is that before a person or in this case a student performs a behavior or in this case an investment, there are variables that precede it, namely interest and interest are influenced by attitudes, subjective norms and behavioral control.

II. LITERATURE REVIEW

2.1 Theory of Planned Behavior

Theory of Planned Behavior is a theory that predicts behavioral considerations, because behavior can be considered and planned. One's actions will be directed by three kinds of belief. First, behavioral beliefs, namely beliefs about the possibility of behavior. Second, normative beliefs, namely beliefs about the normative hopes or ideals of other people and the motivation to agree with these expectations. Third, control beliefs or control beliefs, namely beliefs about the existence of factors that may be farther apart from behavior.

With attitudes towards behavior, subjective norms, and control over behavior will generate interest or behavioral intention which will then form behavior. The reason for adding constructs, namely control over behavior where previously there were only two constructs, namely attitudes toward behavior and subjective norms, is because control over behavior is used to control for limitations or lack of resources used to carry out a behavior.

2.2 Attitude

Attitude, also known as attitude, is the main point that looks different for each individual. Attitude leads to response, where attitude is a form of a feeling, namely feelings of support or approval or feelings that do not support or disagree with an object.

The attitude referred to in the Theory of Planned Behavior is a response from an individual who thinks that when the individual performs a behavior, positive or negative feelings will emerge which will influence him to behave. Attitudes towards behavior are determined by beliefs about behavior and are also related to subjective judgments of individuals around them, individual understandings about themselves and their environment, which is done by associating certain behaviors with various advantages or disadvantages that can be obtained if individuals do or don't do them.

2.3 Subjective Norm

Subjective Norms is an individual's response regarding the perceived social pressure to do or not to do a behaviour (Ajzen, 1991). These responses are subjective, so these dimensions are called subjective norms. As with attitudes towards behavior, subjective norms are also influenced by beliefs.

Whichdistinguishes the two, that is, if the attitude towards behavior is a function of the individual's belief in the behavior to be carried out, then the subjective norm is a function of the individual's belief obtained from the views of other people towards the attitude object related to the individual.

In everyday life, the relationships that each individual lives in can be categorized into vertical and horizontal relationships. The vertical relationship is the relationship between parent-child, teacher-student, and superior-subordinate. Meanwhile, horizontal relationships occur between individuals and friends or other people who are equal. Patterns in these relationships can be a source of differences in perceptions.

2.4 Behavior Control

According to(Ajzen, 2005), behavioral control or what can be called perceived behavioral control is an individual's perception of the ease or difficulty of realizing a particular behavior. Or in other words, it can be concluded

that behavioral control is individual beliefs regarding the presence or absence of factors that can inhibit or support individuals to behave.

Someone will have the intention to perform a behavior when they have the perception that the behavior is easy to show or do, because there are things that can support the behavior. So that with this behavioral control, an individual will feel confident if the perception they have is the result of control over themselves regarding the perception of that behavior.

2.5 Risk Preference

(Weber & Hsee, 1998)defines risk preference as a label used to describe a person's choice when faced with two choices with equal or balanced expected values but different dimensions assumed to affect the riskiness of the choice.

From an investment point of view, an investor's risk preference will have an impact on investor behavior in facing risk. Samsul (2015) and Mardiyanto (2009) clarified investor attitudes towards risk which are divided into three, namely risk averter or risk averse, risk indifferent or risk moderate, and risk taker or risk seeker or risk appetite.

2.6 Student Interest in Investing in Sharia Products

Interest is an urge or desire in a person for a particular object. Investment products that comply with sharia principles are currently growing rapidly and occupying a significant position in the global economy. In line with financial globalization, sharia effects, which were previously widely available in the Middle East and Southeast Asia, are now widely available in various parts of the world, such as in Europe, Asia and the United States. One of the reasons for the rapid growth of sharia securities is the growing interest among Muslim investors, especially those in Muslim countries, to invest their capital in securities that comply with sharia principles.

H1: The Effect of Attitudes on Student Interests in Investing in Sharia Products

(Mahardhika & Zakiyah, 2020)In his research stated that attitudes affect the interest in investing. In contrast to the results of research conducted by(Setyorini & Indriasari, 2020)that attitude has no effect on investment intention.

H2: Subjective norms have an effect on students' interest in investing in Islamic products

(Junianto et al., 2020)said that subjective norms affect the interest in investing. Meanwhile(Luky, 2016)said that subjective norms had no effect on investment intentions.

H3: Behavioral control affects students' interest in investing in Islamic products

(Junianto et al., 2020)in his research said that behavioral control affects interest in investing. Meanwhile(Hartono, 2017)said that behavioral control has no effect on investment intentions.

H4: Risk preference has an effect on students' interest in investing in Islamic products

(Yunia et al., 2020)states that risk preferences affect the interest in investing. Meanwhile(Tandio & Widanaputra, 2016)said that risk preference has no effect on investment intention.

H5: Interest in investing has an effect on investing behavior

(Mahardhika & Zakiyah, 2020)said that investment interest influences investment behavior.

III. METHOD

The sampling method in this study was a purposive sampling method, which is a method based on certain criteria. The criteria for taking the research sample were Accounting Students at the Muhammadiyah University of Surakarta who had taken the Investment Theory and Capital Market course.

Regression equation as follows:

(1) AU = α1 + p1S + p2NS + p3KP + p4PR + p5M + e Equation 1
(2) M = α2 + p6S + p7NS + p8KP + p9PR + e Equation 2
Where:
AU :InvestingBehavior

M :Interest
S :Attitude
NS :SubjectiveNorm
KP :Behavior Control
PR :Risk Preference
α :Constant
p :Path Coefficient
e : error

Independent Variable

Variables that affect the dependent variable (Y), known as the independent variable (X), often have a positive or negative impact. The following are the independent variables included in this study:

a. Attitude

Attitude as a form of feeling, namely the feeling of supporting or taking sides (favorable) or feeling unfavorable towards an object. If a person has a supportive or partial attitude towards a behavior, an interest will arise in that person to do it.

b. Subjective Norm

Subjective norms are determined by the existence of normative beliefs and the desire to follow (Ajzen, 2005). Subjective norms are influenced by the beliefs and motivations in which the other person is involved. Other people here are parents, spouse, close friends, co-workers or others.

c. Behavior Control

Behavioral control refers to a person's perception of whether or not it is difficult to carry out the desired behavior, related to beliefs about the availability or not of the resources and opportunities needed to carry out certain behaviors by reflecting past experience and anticipation of obstacles and obstacles.

d. Risk Preference

Risk preference is a person's tendency to act when he is faced with a risky situation. The relationship between investment interest and risk preference occurs because investors tend to be careful in making decisions in order to get the desired profit.

Dependent Variable

The dependent variable or dependent variable used in this study is investment behavior which is proxied by (AU).

Intervening Variable

In this study using a mediating variable or liaison between the independent variable and the dependent variable, namely interest.

IV. RESULTS

Descriptive statistics

Table 1 explains the general description of the data seen from the minimum, maximum, average, and standard deviation of the variables tested as follows:

Table 1

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Total Attitude	122	4	20	15.98	3,121
Total Subjective Norms	122	4	20	14.53	3,336
Total Behavior Control	122	4	20	15.49	3,078
Total Risk Preference	122	4	20	15.81	3,235
Total Interest	122	3	15	11.16	2,716
Actual Usage Total	122	3	15	10.90	2,753
Valid N (listwise)	122				

Source: SPSS 25

The results of the discussion of descriptive statistical tests are as follows:

1. The attitude variable with 122 respondents has the lowest score of 4 and the highest value of 20 which means 15.98 of the collected respondents' answers agree with the statement which includes the individual attitudes in the questionnaire and the standard deviation value is 3.121.
2. The subjective norm variable with 122 respondents has the lowest score of 4 and the highest score of 20 which means 14.53 of the collected respondents' answers agree with the statement which includes the subjective norm in the questionnaire and the standard deviation value of 3.336.
3. The behavioral control variable with 122 respondents has the lowest value of 4 and the highest value of 20, which means 15.49 of the collected respondents' answers agree with the statement which includes the behavioral controls in the questionnaire and the standard deviation value is 3.078.
4. The risk preference variable with 122 respondents has the lowest value of 4 and the highest value of 20, which means that 15.81 of the collected respondents' answers agree with the statement which includes risk preferences in the questionnaire and a standard deviation value of 3.235.
5. The variable of interest with 122 respondents has the lowest score of 3 and the highest value of 15 which means 11.16 of the collected respondents' answers agree with the statement which includes individual interest in the questionnaire and a standard deviation value of 2.716.
6. The investment behavior variable with 122 respondents has the lowest value 3 and the highest value 15, which means 10.90 of the collected respondents' answers agree with the statement which includes the investing behavior in the questionnaire and the standard deviation value is 2.753.

Normality test

The normality test was carried out to see whether the residuals of the research model were normally distributed. The results of the normality test in this study show that in equation 1 a significance value of 0.191 is obtained and in equation 2 a significance value of 0.174 is obtained. So it can be concluded that all data in equation 1 and equation 2 have a normal distribution or have a normal distribution of data.

Multicollinearity test

The table below shows the results of the multicollinearity test:

Table 2

Variable	*tolerance*	*VIF*	Conclusion
Equation 1			
S	0.290	3,445	No multicollinearity
NS	0.304	3,291	No multicollinearity
KP	0.198	5,055	No multicollinearity
PR	0.378	2,647	No multicollinearity
M	0.240	4,168	No multicollinearity
Equation 2			
S	0.301	3,318	No multicollinearity
NS	0.333	3,003	No multicollinearity
KP	0.245	4,085	No multicollinearity
PR	0.378	2,646	No multicollinearity

Source: SPSS 25

The explanations described lead to the conclusion that nothing in this study has any relationship with each other. This conclusion is supported by the acquisition of tolerance values for each variable > 0.10 and VIF < 10.

Heteroscedasticity test

Spearman Rho testused to analyze heteroscedasticity in this study. The table below shows the results of the Spearman Rho test:

Table 3

Variable	*Sig. (2-tailed)*	Conclusion
Equation 1		
S	0.408	Heteroscedasticity does not occur
NS	0.574	Heteroscedasticity does not occur
KP	0.469	Heteroscedasticity does not occur
PR	0.468	Heteroscedasticity does not occur
M	0.491	Heteroscedasticity does not occur
Equation 2		
S	0.537	Heteroscedasticity does not occur
NS	0.601	Heteroscedasticity does not occur
KP	0.727	Heteroscedasticity does not occur
PR	0.779	Heteroscedasticity does not occur

Source: SPSS 25

Test resultsheteroscedasticity indicates that each variable has a significance value of more than 0.05. Based on these results it can be concluded that the model equation 1 and equation 2 in this study did not show symptoms of heteroscedasticity.

Determination Coefficient Test

Table 4

Information	*R*	*R Square*	*Adjusted R Square*
Equation 1	0.889[a]	0.760	0.753
Equation 2	0.872	0.790	0.781

Source: SPSS 25

Path analysis test

Table 5

Variable	Equation 1			Equation 2		
	Unstandardized Coefficients B	*Standardized Coefficients Beta*	Sig.	*Unstandardized Coefficients B*	*Standardized Coefficients Beta*	Sig.
Constant	-0.063		0.925	-1,210		0.079
S	-0.136	-0.155	0.053	0.152	0.174	0.037
NS	0.192	0.233	0.003	0.214	0.263	0.001
KP	0.216	0.241	0.013	0.426	0.482	0.000
PR	0.045	0.053	0.449	0.016	0.019	0.799
M	0.565	0.557	0.000			
F test	0.000[b]			0.000[b]		
Adj R Square	0.753			0.781		

Source: SPSS 25

Partial Test (t test)

t testconducted to determine the effect of each independent variable partially on the dependent variable.

Table 6

Variable	Sig. Value	Information
Equation 1		
Interest (M)	0.000	H5 Accepted
Equation 2		
Attitude (S)	0.037	H1 Accepted
Subjective Norms (NS)	0.001	H2 Accepted
Behavior Control (KP)	0.000	H3 Accepted
Risk Preference (PR)	0.799	H4 Rejected

Source: SPSS 25

a. Based on the results of the t-test equation 1 shows that Interest (M) has a significance value that is smaller than the expected significance level (0.05) so this variable affects Investing Behavior (AU).
b. In equation 2 it shows that the variables Attitude (S), Subjective Norm (NS) and Behavioral Control (KP) have a significance value that is smaller than the expected significance level (0.05) so these two variables influence Investing Behavior (AU) through Interest (M). Whereas Risk Preference (PR) has no effect on Investing Behavior (AU) through Interest (M), because the significance value is greater than the expected significance level (0.05).

Simultaneous Test (Test F)

F testused to determine whether all the independent or independent variables included in the model have a joint effect on the dependent or dependent variable. The significance of F must be less than the predefined significance of 0.05.

Table 7

Information	F	Sig.	Information
Equation 1	87,334	0.000[b]	Significant
Equation 2	92,672	0.000[b]	Significant

Source: SPSS 25

OnThe table above shows that independent variables such as attitudes, subjective norms, behavioral controls, and risk preferences can all have a direct impact on interest, and interest can have a direct impact on investing behavior. This is indicated by the significance value in the table (0.000 <0.05)

V. CONCLUSION

The results of this study lead to the conclusion that attitudes, subjective norms, and behavioral control have a significant effect on interest. However, risk preference has no significant effect on interest. The results of further research indicate that interest has a significant effect on investing behavior. Therefore the first, second, third, and fifth hypotheses are proven, while the fourth hypothesis is not proven. The limitation in this study is that data collection was obtained by survey method by distributing questionnaires online, so that the opinions and characteristics of the respondents could not be revealed in real terms. In addition, the scope of research should be expanded again.

Suggestions that can be used as input for several parties, such as future researchers are expected to expand the sample and increase the scope of research. In addition, future researchers should add other independent variables that are not explained in this study. So that it can examine other factors that affect interest in investing.

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